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# Letter from the CEO

Dear Friends,

Our vantage point in December 2020 is far from what we expected twelve months ago. We began the year looking forward to meetings, conferences, and our biennial Summit to discuss and debate the future of business among friends and colleagues. Many of you were able to join us in New York for our 2020 Summit to workshop the best ways to advance our shared mission of rebalancing capital markets to support a long-term, sustainable economy. But while the reality of daily life has changed enormously, the urgency of the issues we are addressing has not.

Capitalism is at a crossroads—the next few years will surely shape its trajectory for the next few decades. A narrow spotlight on shareholders has given way to a renewed focus on all stakeholders—employees, customers, suppliers, communities, and shareholders alike. Recognition of the global business community’s need to change its impact on our planet, investors’ climate consciousness of their portfolios and the alignment between sustainability and long-term performance have accelerated. We’ve used the analogy of Maslow’s Hierarchy of Needs to discuss the additive nature of addressing the range of stakeholders. The conversations around capital markets today have fundamentally changed—even since our founding in 2016.

But despite our best intentions, “market failures” still arise—problems that lead to a suboptimal allocation of resources and that the market will not correct itself. It’s with the guiding principle that market participants can address these issues that we founded FCLTGlobal more than four years ago—to bring together investors and companies in an effort to make markets better at serving their purpose from the inside out.

And the more important purpose of capital markets is clearer than ever. COVID-19 has led to unemployment, uncertainty, and a global downturn.

But history tells us that economic downturns pass, and we must not lose sight of the bigger picture. People around the world are still saving to pay for an education, still working to fund a decent retirement, or still putting away enough to buy a home. But due to COVID-19, many are now simply trying to recover what they have lost. Effective capital markets need to work for these savers, and channel their capital to companies that fuel innovation, job creation, and sustainable growth.

We end a volatile year with a new sense of direction – for the first time, we will follow the changing behaviors and horizons of capital markets with real world data. FCLTCompass, our latest initiative, is an annual benchmarking tool tracking long-term investments on a global scale. It analyzes more than a decade of financial data to trace investors’ savings through various assets to the companies that deploy it in support of economic growth. This will frame the conversation in a more actionable light, a first step toward catalyzing broader adoption of longer-term investment perspectives. My thanks and congratulations go to our partners who collaborated with us on this milestone work.

Thank you to all of our Members, new and longstanding, who have committed to growing our organization, spreading our message, and making a sustainable financial future a reality. 2020 has been a tempest of a year, and there is more storm to weather, but I look forward to continuing this important work with energy and passion together in 2021.

Sincerely,



**Sarah Keohane Williamson**  
Chief Executive Officer, FCLTGlobal

# FCLTGlobal by the Numbers

1 January to 15 December 2020



53

MEMBERS



11

COUNTRIES  
REPRESENTED



72%

MEMBER  
CHIEF EXECUTIVE  
ENGAGEMENT<sup>1</sup>



9

PUBLICATIONS



36

EVENT  
PRESENTATIONS



85%

MEMBERS  
INVOLVED IN  
RESEARCH<sup>1</sup>



16

RESEARCH  
WORKING GROUPS



19

STAFF



62%

BUDGET  
ALLOCATED TO  
RESEARCH

<sup>1</sup>Trailing 12 months.

# Our Membership

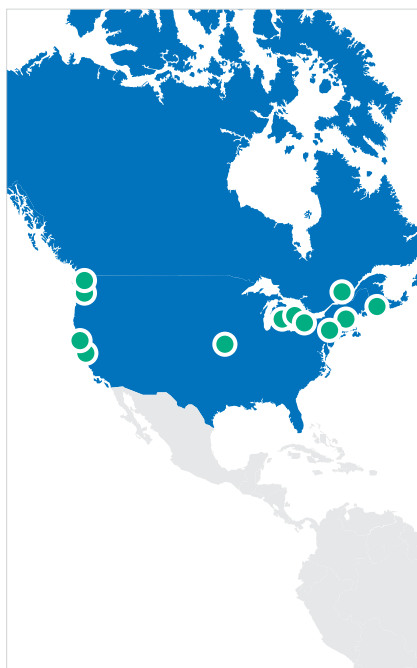
To say that our Members are important to our organization is an understatement—they are fundamental. Members help us incubate ideas and fine-tune theories that shape our research and the future of global markets. Becoming a Member of FCLTGlobal is no small commitment. Each of the organizations below has met the challenge with enthusiasm and passion.



# Our Membership

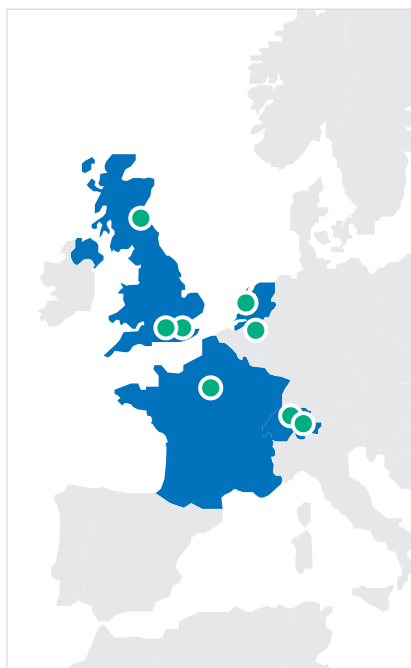
## Global Reach

Our Members are headquartered in 11 countries and collectively operate in nearly every country around the world.



### North America

Montreal, Canada  
Toronto, Canada  
Bentonville, United States  
Boston, United States  
Chicago, United States  
Kirkland, United States  
Midland, United States  
New York, United States  
Olympia, United States  
San Francisco, United States  
San Jose, United States  
Westport, United States



### Europe

Paris, France  
Amsterdam, The Netherlands  
Heerlen, The Netherlands  
Baar, Switzerland  
Basel, Switzerland  
Brentford, United Kingdom  
London, United Kingdom

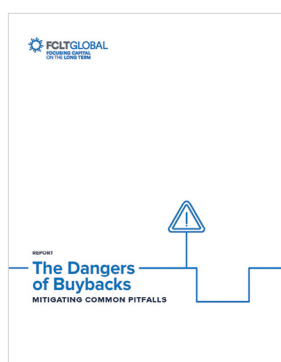


### Asia/Pacific

Melbourne, Australia  
Hong Kong  
Mumbai, India  
Auckland, New Zealand  
Singapore

# Our Research

FCLTGlobal's research and tools explore the key levers that can elevate long-term performance. By creating the practical steps that all market participants can take, we aim to make long-term practices the norm across the investment value chain. Here is some of the research we completed in 2020. To read more of our research, visit [fcltglobal.org](https://fcltglobal.org).



## The Dangers of Buybacks: Mitigating Common Pitfalls

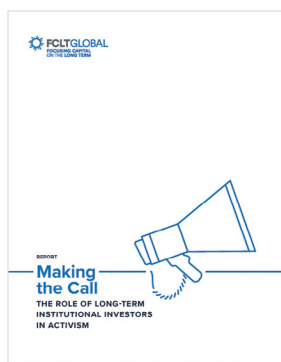
The rise of buybacks has been riddled with controversy. Academics, practitioners, and politicians alike have maligned the use of buybacks, taking issue with their potential contribution to income inequality, underinvestment in innovation, and use for personal enrichment. Buybacks and their implications for the long-term strength of the economy are controversial but not well understood. This report examines buybacks and their attraction, takes a deeper look at their pitfalls, and provides practical tools and guidelines for companies, investors, and policymakers to evaluate buybacks on their long-term merits.



## Funding the Future: Investing in Long-Horizon Innovation

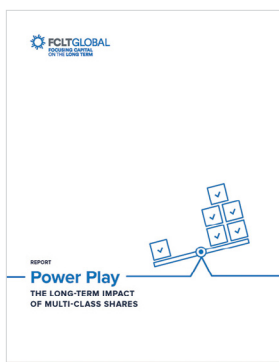
Effective long-term capital allocation is fundamental for innovating and creating value; investment in research and development (R&D) fuels this growth. Successful R&D can be transformational for an organization and for broader society. But while worldwide spending on R&D has slowly increased, R&D returns have been declining.

This report addresses the challenges of short-term R&D spending pressures, and provides alternative ways to structure, value, and manage long-horizon R&D investments that could bring R&D portfolios back into balance, delivering better returns across the investment value chain.



## Making the Call: The Role of Long-Term Institutional Investors in Activism

The prevailing wisdom is that activist investors can drive corporate short-term behavior singlehandedly. The prevailing wisdom is wrong. At just 0.3% of total global equity assets under management (AUM) in 2018, activists depend on the support of long-term investors for their influence. Without clarity on long-term shareholders' views, companies perceive short-term pressure coming from their investors and assume the activists speak for the entirety of the shareholder register. This report shows that having a strong investor/corporate dialogue well before an activist campaign arises is the way to encourage companies to proactively improve the drivers of long-term value creation—such as bolstering their governance, honing strategies for growth, and engaging with long-term investors.



## Power Play: The Long-term Impact of Multi-Class Shares

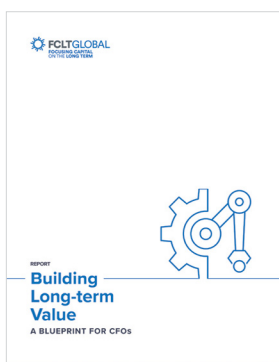
Strong arguments can be made in favor and against the practice of offering shares with differential voting rights. Ensuring that founders and key decision-makers have extra voting heft might insulate them from short-term market demands, thus helping them focus on long-term goals. Yet, concentrating voting power in a few hands could also become a way for insiders to entrench their positions and suppress legitimate concerns from other owners.

This report presents empirical facts about the long-term and global performance of these shares that investors and corporations can use to frame their decisions about issuing and holding these shares.



## Institutional Investment Mandates: Anchors for Long-Term Performance, 2nd Edition

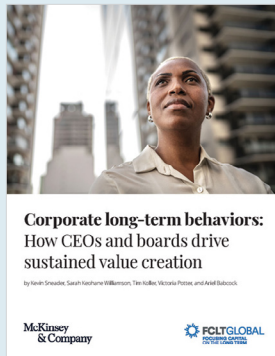
Asset owners, the cornerstones of the investment ecosystem, often have very long-term investment goals, such as funding liabilities, building an endowment for perpetuity or providing for subsequent generations. For some of these asset owners, especially pension and retirement funds, these goals reflect the long-term needs of individual plan members who rely on these institutions to safeguard and build the savings which they will rely on down the road. This report asserts that shaping these mandates with provisions specifically oriented towards long-term goals can help build stable, lasting investment partnerships and, if designed properly, improve long-term performance.



## Building Long-term Value: A Blueprint for CFOs

CFOs need to manage legitimate short-term performance pressures and advocate for capital allocation decisions with long-term benefits at the same time, even if potential contributions to corporate earnings are years in the future. CFOs are essential to driving long-term behaviors and are in a unique position to make a meaningful difference. Based on input from FCLTGlobal's Long-term CFO Initiative and available research, this paper highlights key pressures and obstacles that CFOs encounter, considers the CFO's unique role as a fulcrum for long-term behavior, assesses the CFO's intrinsic long-term focus, and recommends four long-term levers readily available to the CFO.

## Joint Research



### Corporate Long-Term Behaviors: How CEOs and Boards Drive Sustained Value Creation (with McKinsey & Company)

Although the advantages of maintaining a long-term orientation are clear, the practical aspects of managing for long-term performance are less well understood. FCLTGlobal and McKinsey have published joint studies revealing a few things that long-term companies don't do, such as invest modestly in R&D and use accounting methods to lift reported earnings. In this report, we build on that analysis to identify the behaviors that long-term companies consistently exhibit. We also propose actions that boards and executives can take to promote these behaviors.



### Tone at the Top: The Board's Impact on Long-Term Value (with Russell Reynolds Associates)

Taking a long-term approach in business leads to superior performance. Companies that orient themselves around a long-term time horizon while also delivering against short-term objectives have been shown to outperform their peers on several key business measures, including revenue, earnings, economic profit, market capitalization and job creation.

This report, a collaboration with Russell Reynolds Associates, analyzes ways in which executives and boards can align around a long-term time horizon, while still taking short-term performance into account.



## An annual benchmarking tool tracking long-term investments on a global scale.

The core purpose of capital markets is to facilitate transactions—to transform the money from savers into uses that support societal and economic growth, and that, in turn, earn a fair return for the savers themselves. But the way that capital flows from savers, through various investment vehicles, to the companies that use it can be an opaque process. The extent to which capital is focused on long-term goals shifts constantly as funds pass from one entity to the next across the investment value chain.

That lack of clarity makes it difficult to determine how exactly to take action or change behavior in pursuit of long-term goals. It also makes it easier for companies or investors to defer or delay decisions that would favor the long term, opting instead to prioritize more immediately tangible results.

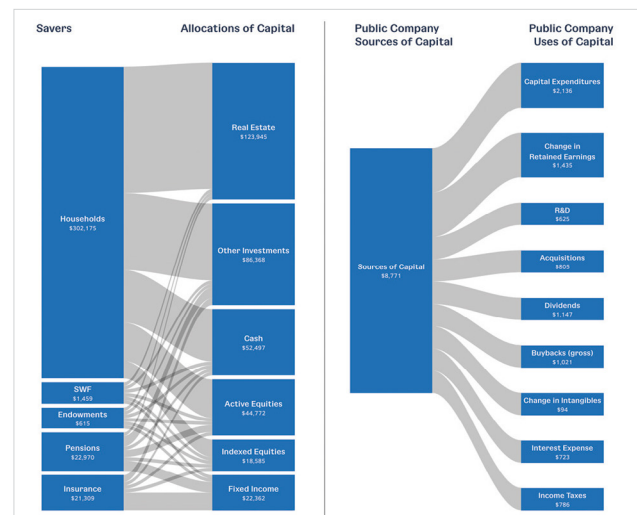
**We are often asked questions like the following:**

How long is the average investment time horizon?

How have those time horizons shifted over time, and where are they heading?

How much money is focused on the long term?

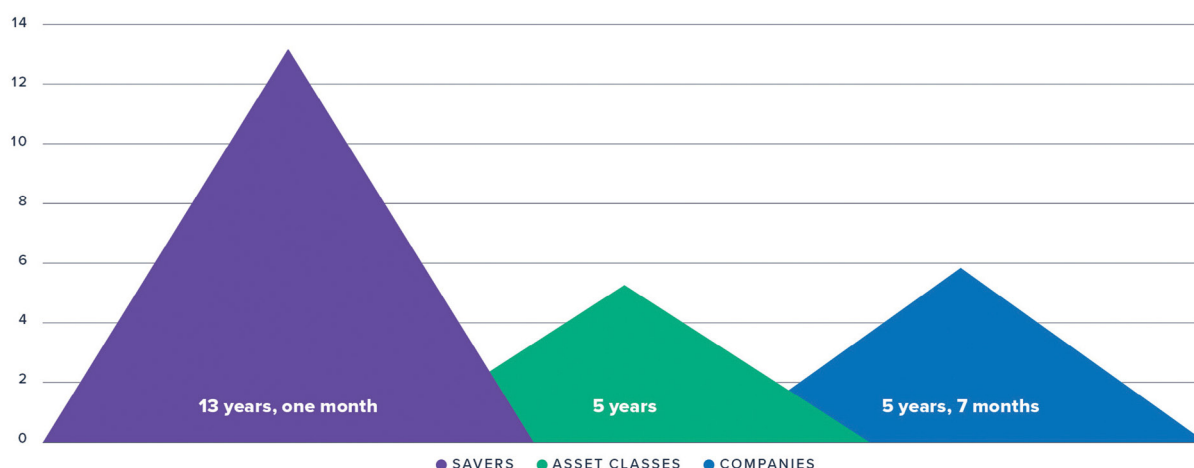
FCLTCompass, our new report and interactive dashboard, answers these questions with quantitative data reported in years and US dollars. The research traces investors' savings through various asset vehicles to the companies that deploy it in support of business and economic growth. This will frame the conversation in a more actionable light, a first step toward catalyzing broader adoption of longer-term investment perspectives.



Through this new initiative, we have mapped capital flows in the largest countries by gross domestic product over the past decade. The data shows us, unsurprisingly, that there is a significant intention-allocation gap of upward of eight years between the expected investment horizon of the saver and

## Investment Horizons, Savers Versus Public Companies (In Years), 2018

AN INTERACTIVE VERSION OF THIS CHART CAN BE FOUND AT [FCLTGLOBAL.ORG](https://fcltglobal.org)



the actual time frame that capital remains committed to a particular investment opportunity.

On the other end of the capital markets, the companies that savers' funds are invested in have the inverse problem: companies have short-term funding sources that are misaligned with the companies' own longer-term investment horizons. These long-term aspirations, therefore, are lost in translation.

These discrepancies in time horizons highlight key issues for companies as they position themselves to be competitive and prosperous for all of their stakeholders. The adoption of business models with fewer fixed assets (below) has contributed to a decline in corporate investment time horizons. The decline in corporate investment time horizons parallels a decline in CEO tenures, which could be either a symptom or a cause of the broader decline in corporate investment time horizons.

Likewise, our findings show significant emerging trends in the global investment community. A widespread shift to indexed equity is contributing to an overall increase in average equity holding periods while time frames for fixed income have

shortened and the low rate environment has inspired yield-chasing behavior. Most notably, the accumulation of wealth in China is beginning to show increasing influence on global household investment horizons.

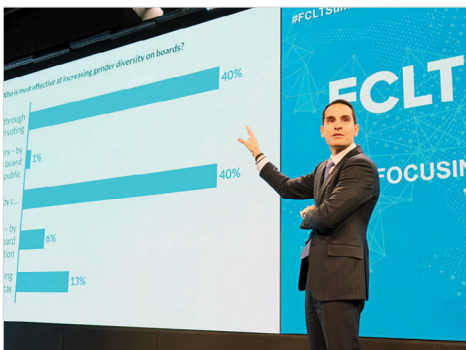
By relying on data reported prior to the current crisis, this evaluation serves as a stable baseline. As the years go by, we will see the impacts of the pandemic and other dislocations on global asset flows and investment horizons. Over time, FCLTCompass will evolve and expand by widening its global scope, digging deeper into emerging trends, and benefiting from feedback from the global business and investment community, especially as new data comes to light in the years ahead. It is our goal for this project to contribute to our ongoing practical research to help companies, investors, and savers alike practice long-term decision-making as the norm, not the exception.

To use the interactive dashboard and learn more about this first-of-its-kind work, visit [www.fcltglobal/fcltcompass](https://www.fcltglobal/fcltcompass).

# FCLTSummit 2020

On 5 March, the 2020 Focusing Capital on the Long Term Summit convened more than 130 global business leaders in New York to drive long-term changes in capital markets and promote sustainable value creation for investors, companies, savers, and their communities. More than 130 leaders gathered to engage in these problem-solving sessions just prior to the COVID-19 outbreak.

The day was comprised of breakout sessions that focused on key areas of thought for FCLTGlobal's research agenda, including climate change and its impact on investing, best practices for long-term boards of directors, evolving investor rights and responsibilities, strategic responses to shareholder activism, and the future of corporate compensation models. The agenda also featured several marquee plenary sessions to tackle some of the most pressing issues facing companies and investors:



## Examining Levers to Drive Action

Harvard Business School Professor George Serafeim and FCLTGlobal CEO Sarah Williamson examined the issues that capitalism is facing and short-termism as a market failure. Professor Serafeim then administered a poll on long-term thinking and focused on the implementation challenges and real tradeoffs that it involves: between short-term and long-term goals; between profitability and sustainability; and among different groups of people.



## Leading Organizations Towards Sustainable Capitalism

The lunchtime panel, moderated by Paul Polman with participants Jim Fitterling (Dow), Adena Friedman (Nasdaq), Mark Machin (CPP Investments) and Mary Schapiro (Bloomberg), explored tradeoffs that companies and investors make as they move from statements about sustainable capitalism to proactive business strategies. Panelists acknowledged that the best managers carefully think about stakeholders to build long-term value. At the same time, they recognize the tradeoffs between short-term and long-term goals. The discussants, who drew from their experiences at the helm of some of the most significant efforts to drive sustainable capitalism, generated a number of actionable solutions.



## Managing for Long-Term Growth in China

Kevin Sneader (McKinsey) facilitated an afternoon discussion with panelists Kewsong Lee (The Carlyle Group), Lei Zhang (Hillhouse Capital Group), and Nicolas Aguzin (JPMorgan) that illustrated China as a country of paradoxes. First, China has exhibited leadership in addressing climate change while remaining the world's largest carbon emitter. Second, China has been reducing its relative exposure to the world by exporting a smaller share of its gross output, while the world's exposure to China has risen.

The panelists noted the low level of foreign participation in Chinese capital markets and the strong growth expectations. Private enterprises are not adequately served by banks and will need the help of growing capital markets to meet their capital needs. Against this backdrop, panelists then proposed a number of actionable solutions for corporations.

Our sincere thanks to everyone who participated in the event, with particular gratitude to our Member organizations, our Board of Directors, and our Strategic Advisors who all played a role in making this important event a success, and a special thank you to Bloomberg for hosting us at their wonderful offices in New York.

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Stay tuned for news about more virtual member events, as well as for the next FCLTSummit in New York on 2 March, 2022.

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# Global Impact

FCLTGlobal partners with the world's top asset owners, asset managers, and companies to share our findings with the broader investment community. We remain dedicated to extending the global reach of our work. Our deepening engagement with global leaders helps us uncover the insights that we use to develop practical tools for market-leading organizations and build momentum for our shared long-term mission. Due to the virtual nature of events in 2020, recordings of many of these events can be found on our website, [fcltglobal.org](https://fcltglobal.org).

## Thought Leadership



### 2020 World Economic Forum (Davos, Switzerland)

The 50th meeting of the World Economic Forum in Davos was a culmination of the recent momentum building within the global business community for greater accountability and action from corporate leaders on their impact on society and the climate. From start to finish, the schedule of panels, meetings, and conversations reinforced a clear message: long-term thinking is the new standard.

While the rapid shift toward “stakeholder capitalism” has taken some by surprise, a holistic focus on corporate stakeholders has long been a point of emphasis for the WEF—CEO Sarah Williamson

moderated a panel with Carmine Di Sibio (EY, FCLTGlobal board member) and Paul Tudor Jones II (JUST Capital), *Stakeholder Capitalism: Creating Common Standards for Corporate Governance*. The WEF’s International Business Council (IBC) unveiled a new set of metrics and disclosures for companies to expand reporting beyond traditional financial metrics, bringing together key voices to find one set of metrics that can work for companies of all sizes, industries, and locations. FCLTGlobal has shared [our latest work on long-term metrics](#) with the WEF’s team over the course of this project.

The talk around long-term, sustainable behavior for companies and investors alike were everywhere in Davos.

### CEOs Reflect on Lessons of COVID-19

In April and May 2020, FCLTGlobal hosted virtual roundtable discussions for Members to discuss how to effectively manage their organizations in the face of the global coronavirus pandemic. The current situation has accelerated the arrival and impact of many long-term trends and tested the resilience of all organizations. In these discussions, leaders focused on decisions that they are making now that will have long-term consequences. Guests provided insights from different industries, sectors, and geographies, providing a unique set of vantage points on how global business is approaching COVID-19 and how it will progress in the aftermath. As one participant put it, “Our 10-year planning has suddenly turned into 10-week planning.” For many leaders, the onset of COVID-19 has taken what were once thought to be longer-term objectives and turned them into immediate needs.

There was broad agreement that employees will not universally revert to the old model of work once the crisis is over. Rather, companies will acclimate to a new way of working and continue the innovations borne of necessity—one participant thought about this concept as “sustaining the gain” beyond the crisis. Members recognized that the past few months have served as a lesson for similar situations in the future. Learning more about an organization’s resilience now will help leaders prepare for whatever may come next.

### A Conversation with SEC Chairman

#### Jay Clayton: Long-term Investing, Sustainability, and the Role of Disclosures

Disclosing the right information can help investors to evaluate a company’s approach to sustainability and drivers of long-term growth, factors that have become increasingly important to a corporate success. Over the past several years, this topic became a focal point of the global business community.

On 23 June, FCLTGlobal hosted a webinar with Jay Clayton, the sitting Chairman of the U.S. Securities and Exchange Commission, to discuss his views on the importance and role of such disclosures and provide thoughts on how companies, investors, and standard-setters can clarify and advance the development of appropriate disclosures. Mark Wiseman, the newly announced chair of AIMCo, hosted the discussion.

### Investing for Resilience

Driven by the uncertainty of the global coronavirus pandemic, long-term investors are now focused on the critical issue of building resilience to weather future volatility. As we look forward, investors’ leadership and capital allocation decisions play a crucial role in supporting sustainable economic recovery and growth.

On 18 August, FCLTGlobal led a webinar with Suyi Kim (CPP Investments), Chow-Kiat Lim (GIC), David Neal (IFM), and Lei Zhang (Hillhouse Capital Group) to discuss the potential impact the pandemic will have on several facets of long-term investments.

Moderated by FCLTGlobal CEO [Sarah Keohane Williamson](#), the panelists covered key issues, including driving a low-carbon recovery, recapitalizing the economy, and rebuilding trust in leadership in a post-COVID-19 era.

### Risk Webinar Series

FCLTGlobal’s 2018 work on risk management, *Balancing Act: Managing Risk Across Multiple Time Horizons*, contemplated a number of ways long-term investors could consider various risks and tools to better manage their impact. Our monthly Risk Webinar Series aims to preserve long-term focus in this current time of crisis by convening risk experts from across the global investment community to share their long-term insights, experiences, and practices.

Several episodes in this series have already been held, and we look forward to hosting more

gatherings in 2021, focusing on time diversification and crisis management.

### **McKinsey Sustainable Transition Series**

On 6 November, FCLTGlobal and McKinsey & Company co-hosted *Investing in the Sustainable Energy Transition*, the first of five panels to discuss how best to prepare the global business community for a more sustainable future. Larry Fink of BlackRock, Bernard Looney of bp, and Kevin Sneader of McKinsey joined the discussion to share their views on ways in which carbon intensive

industries can consider transformative change. The discussion covered topics including data and transparency, the role of post-pandemic stimulus, and enabling change at scale climate-forward initiatives.

In 2021, four sessions focused on Food & Agriculture, Mobility, Infrastructure and Technology will follow the Energy discussion and will bring together top business leaders and institutional investors in the sectors to discuss the path ahead in order to prepare the industry for a more sustainable future.

# Global Impact

## Additional Events

FCLTGlobal leadership and staff members attend external conferences to share our work and spread our message about best practices for long-term investing.



Recent events featuring  
FCLTGlobal research and  
speakers include the following:

- Yale CEO Summit
- Top1000funds Fiduciary Investor Symposium Digital
- Pacific Pension and Investment Institute Conference
- The New Enlightenment—One Year On
- CFA Institute—Short-termism Revisited
- Wellington Investorpalooza—Diversity & Change on Corporate Board
- XBMA: Stakeholder Governance and the Purpose of the Corporation: COVID's Impact on the New Paradigm
- Foundation Financial Officers Group Fall Meeting
- ICPM Virtual Fall Discussion Session
- IPE Conference & Awards 2020

### **XBMA: Stakeholder Governance and the Purpose of the Corporation: COVID's Impact on the New Paradigm**

The global discussion around the purpose of a corporation has changed drastically in recent years. A virtual roundtable hosted by the International Institute for the Study of Cross Border Investment and M&A, this panel weighed in on the impact of COVID-19 response on principles of corporate purpose and stakeholder governance. Featuring Karessa L. Cain, Martin Lipton, Sabastian V. Niles (Wachtell, Lipton, Rosen & Katz), Audrey Chen (JunHe), Jean-Michel Darrois (Darrois Villey Maillot Brochier), Maurice Lévy (Publicis Groupe), Colin Mayer (Saïd Business School at University of Oxford), and Sarah Williamson (FCLTGlobal).

# Global Impact

## In the News

AUSTRALIAN  
FINANCIAL REVIEW

top1000funds.com

INVESTMENT & PENSIONS EUROPE  
IPE

Institutional  
Investor

THE BUSINESS TIMES

The Washington Post

FT  
FINANCIAL  
TIMES

yahoo!  
finance

EXPERT  
INVESTOR

AGENDA

Forbes

21世纪经济报道  
21st CENTURY BUSINESS HERALD

THE WALL STREET JOURNAL.

THE  
HILL

MARKETPLACE<sup>®</sup>

REUTERS<sup>®</sup>

CNBC

TD Ameritrade  
NETWORK

IR  
magazine

### Dividends 'A Drain on Performance'

*The Australian, 2 January 2020*

Over-distribution of capital through dividends or share buybacks can be a drain on corporate performance, FCLTGlobal claims.

### Investors, Keep Your Eye on the Long Run

*The Wall Street Journal, 16 March 2020*

Markets always come back from major disruptions, though it takes a while.

### Earnings are Back, but Wall Street's Guidance Game? Maybe it's Gone for Good

*CNBC, 21 July 2020*

Nearly half of the S&P 500 companies have declined to provide guidance with second-quarter earnings reports. Critics, including some big pension funds, say this crisis is another chance to get rid of the short-term guidance game, and past crises did result in a decline in companies issuing guidance.

### Investing in American Equity

*The Hill, 18 August 2020*

FCLTGlobal CEO Sarah Williamson identifies key features needed in a 21st-century retirement in the U.S. in a new op-ed.

### US Short-termism on ESG Investing Will Hurt Growth

*Financial Times, 27 August 2020*

Europe is better at recognizing the financial value of companies that look to the future.

# Professional, Sustainable Organization

## Board of Directors

Guidance from our Board of Directors plays a large part in the impact FCLTGlobal makes on global capital markets. Leaders of FCLTGlobal Member organizations in their own right, our directors and advisors are tireless advocates for the long term. We began 2020 with the appointment of Mark Machin—a long-time board member and head of CPP Investments, a founding Member—as chair of our board. We also welcomed three new board members over the course of the year—Alan Jope of Unilever, Kewsong Lee of the Carlyle Group, and Mark Wiedman of BlackRock. These new appointments coincided with the stepping down of Leni Boeren (Kempen), Vijay Advani (Nuveen) and Paul Polman (IMAGINE), who has assumed a new role as a Strategic Advisor. Our sincere thanks go to Leni, Vijay, and Paul for their years of service to our mission, and for their invaluable counsel, and their dedication to making FCLTGlobal a better, more impactful organization.

## Board of Directors



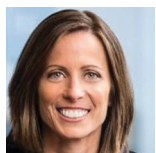
**Carmine Di Sibio**  
Global Chairman  
and CEO  
EY



**Chow Kiat Lim**  
CEO  
GIC



**Howard Ungerleider**  
President and CFO  
Dow



**Adena Friedman**  
President and CEO  
Nasdaq



**Mark Machin**  
President and CEO  
CPP Investments (Chair)



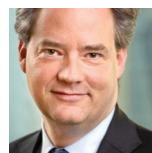
**Theresa J. Whitmarsh**  
Executive Director  
Washington State  
Investment Board



**Peter Harrison**  
Group Chief Executive  
Schroders



**Geraldine Matchett**  
Co-CEO  
Member of the  
Managing Board  
Royal DSM



**Mark Wiedman**  
Senior Managing Director  
BlackRock



**Alan Jope**  
Chief Executive Officer  
Unilever



**David Neal**  
Chief Executive  
IFM Investors



**Sarah K. Williamson**  
CEO  
FCLTGlobal (ex-officio)



**Kewsong Lee**  
Chief Executive Officer  
The Carlyle Group



**Kevin Sneader**  
Global Managing Partner  
McKinsey & Company



**Lei Zhang**  
Founder and CEO  
Hillhouse Capital Group

# Professional, Sustainable Organization

## Strategic Advisors, Senior Fellows, and Staff

### FCLTGlobal Strategic Advisors

**Else Bos**

Executive Director and Chair  
of Prudential Supervision  
De Nederlandsche Bank

**Lady Lynn Forester  
de Rothschild**

CEO  
E.L. Rothschild, LLC

**Nitin Nohria**

Dean  
Harvard Business School

**Natarajan Chandrasekaran**

Chairman  
Tata Sons

**Martin Lipton**

Founding Partner  
Wachtell, Lipton, Rosen & Katz

**Paul Polman**

Co-founder and Chair  
IMAGINE

**Larry Fink**

Chairman and CEO  
BlackRock

**Andrew N. Liveris**

Former Chairman and CEO  
Dow

**Mark Weinberger**

Former Global Chairman and CEO  
EY

Senior Fellows provide deep insight and lend expertise to our mission.

### Senior Fellows

**Natasha Braginsky Mounier**

Senior Fellow

**Prem Samtani**

Senior Fellow

Our staff is responsible for working toward our mission of making long-term investing and decision-making the norm through advocacy and thought leadership. We have built a team that has both deep experience in the investment and business communities and a dedication to our goals.

### Staff

**Sarah Keohane Williamson**

CEO

**Allen He**

Associate Director

**Sara Simonds**

Director

**Kersten Lanes**

COO

**Matthew Leatherman**

Director

**Sam Sterling**

Manager, Member Engagement

**Peggy Adams**

Managing Director

**Kate O'Donnell**

Events Planner

**Victoria Tellez**

Senior Research Associate

**Ariel Babcock**

Head of Research

**Ross Parker**

Manager, Communications

**Devin Weiss**

Research Associate

**Steve Boxer**

Managing Director

**Brett Perryman****Bryn Costello**

Office Coordinator

**Anna Maria Recupero**

Executive Assistant to the CEO

# Long-term Roadmap

Encouraging companies to create long-term roadmaps is a cornerstone of our philosophy on sound business strategy. These plans forgo projecting the next quarter or fiscal year and give stakeholders a clear, concise statement of a company's future goals and how it intends to reach them. Naturally, we have one of our own—our long-term roadmap lays out our trajectory as an organization through 2021.



## An Ambitious Research Agenda

We will develop research products in the following areas that encourage long-term behaviors in business and investment decision-making.

## 2020

### THE LONG-TERM CFO

This report will highlight key pressures and obstacles that the CFO encounters, consider the CFO's unique role as a fulcrum for long-term behavior, assess the CFO's long-term mandate, and recommend long-term levers the CFO can access.

**Building Long-term Value: A Blueprint for CFOs**  
*Published December 2019*

### PERFORMANCE OF DUAL-CLASS SHARES

This project will examine the performance of shares with different voting right structures over time and relative to the risk that they involve. The analysis also will compare dual-class shares' performance relative to those with equal voting rights.

**Power Play: The Long-term Impact of Multi-class Shares**, *Published April 2020*

### MANAGING INNOVATIVE R&D

This report will identify alternative ways to manage and evaluate R&D investments that can better insulate high-potential projects from short-term biases.

**Funding the Future: Investing in Long-Horizon Innovation**, *Published August 2020*

### STRENGTHENING THE INVESTOR-CORPORATE DIALOGUE IN THE AGE OF ACTIVISM

This project will propose approaches for companies and investors to effectively engage activist investors, who have the potential to add long-term value but often emphasize short-term issues.

**Making the Call: The Role of Long-term Institutional Investors in Activism**, *Published June 2020*

### LONG-TERM METRICS

We will continue our focus on measuring long-term investing progress by identifying a short list of standard "prefinancial" metrics that can be applied across industries and multiple frameworks.

**Measuring What Matters**, *Published January 2020*

CATALYZING CLIMATE INVESTMENT

We will explore how investors can build practical, non-concessionary net-zero carbon portfolios while employing alternative financing structures or mechanisms to catalyze greater long-term investment in climate solutions.

DIVERSITY ON PRIVATE EQUITY BACKED CORPORATE BOARDS

We will look at ways to increase the number of diverse directors serving on PE-backed company boards, with the hopes that this improved representation will foster greater board diversity in both private and public firms.

EXECUTIVE REMUNERATION

We will consider how current compensation models may be influencing short-term or long-term behaviors and evaluate example long-term compensation proposals, including implementation constraints and practical remedies.

EVOLVING INVESTOR RESPONSIBILITIES

We will create a rubric for identifying, articulating, and disclosing these responsibilities. We will apply this rubric to timely scenarios including securities lending, liquidity management, and economic impact (among others) and produce a tool that investors can use to assist them in fulfilling these responsibilities—both internally and externally.

NON TRADITIONAL METRICS

We will collaborate with standard-setters to ensure that key initiatives include a core set of metrics material to investment decision-makers. The second stage of the project will focus on driving adoption and implementation of the core metrics.



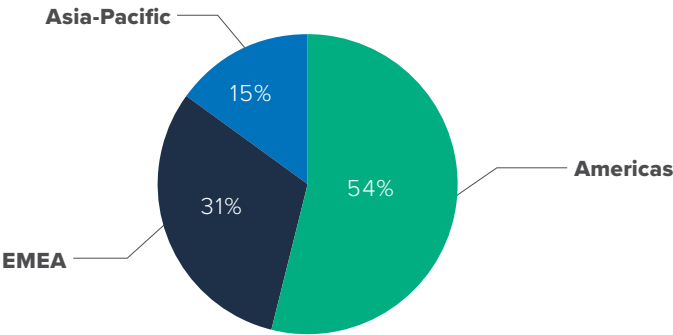
A Global Member Base

We intend to grow our global membership by seeking out widely respected organizations representing a cross section of key market participants and corporations.

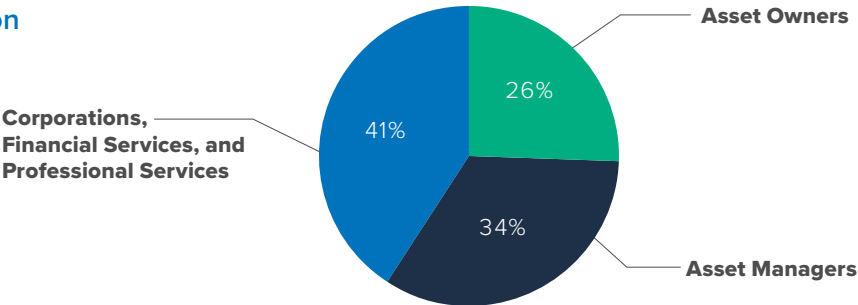
Current Membership: 53    Membership Goal: 80



Even Member Distribution  
Across Geographies



Even Member Distribution  
Across Sectors



A Thriving Organization

Our organization will evolve to meet the needs of our Members and other stakeholders.

**FOCUSING CAPITAL  
ON THE LONG TERM**

