



## 2019 YEAR IN REVIEW



# Table of Contents

<b>3</b>	Letter from the CEO
<b>4</b>	FCLTGlobal by the Numbers
<b>5</b>	Our Membership
<b>7</b>	Our Research
<b>9</b>	Global Impact
<b>16</b>	Professional, Sustainable Organization
<b>18</b>	Long-term Roadmap

# Letter from the CEO

The conversation around the role of capital markets has changed. Around the world, companies and investors increasingly recognize the importance of long-term planning and the value of thinking beyond quarterly returns. The percentage of S&P 500 companies issuing quarterly guidance has fallen to 22 percent, and in the United States, industry leaders redefined the purpose of a corporation to explicitly include delivering value for all of its stakeholders: customers, employees, suppliers, communities, and long-term shareholders.

Since our founding in 2016, FCLTGlobal has encouraged asset managers, asset owners, and global companies to take a longer-term approach. And over these three years, we have produced research and toolkits that can equip market leaders to drive change both by altering the behaviors of their organizations and by sparking larger shifts in the marketplace.

## **What we've found is that long-term success rests on five pillars:**

- Sound organizational governance, to provide the foundation for long-term value creation
- Incentive alignment over time and across the investment value chain, to ensure that all players pull in the same direction
- Engagement across institutional boundaries, to collaborate and provide staying power to pursue long-term goals
- Strategies for innovation, talent, capital allocation, and risk management, to support a company's long-term performance
- Effective public policy, to foster the conditions that enable long-term behavior

With consistent metrics around this five-part approach to long-term success, investors and companies can begin to ensure that capital markets contribute to sustainable economic growth and global prosperity.

Thanks to your continuing insight and support, FCLTGlobal is itself well positioned for long-term impact. Today, more than 50 leading global organizations have become Members of FCLTGlobal, each bringing a unique perspective and each motivated by a desire to drive long-term value. And on behalf of the entire FCLTGlobal team, I thank you for helping us reach this point where we can look back at real progress and look ahead toward further advances.

On a personal note, let me say what a privilege it is to work with people both inside and outside the FCLTGlobal community who are passionate about rewiring capital markets to benefit investors, companies, savers, and society as a whole. I am thankful for the opportunities we've had thus far and eager to embrace all those who want to join in our shared efforts for the long term.

Sincerely,



**Sarah Keohane Williamson**  
CEO, FCLTGlobal

# FCLTGlobal by the Numbers

1 January to 13 December 2019



**47**

MEMBERS



**19**

COUNTRIES  
REPRESENTED



**5,294**

RESEARCH  
DOWNLOADS



**7**

PUBLICATIONS



**50**

EVENT  
PRESENTATIONS



**75%**

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



**8**

RESEARCH  
WORKING GROUPS



**15**

STAFF



**67%**

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. They sit on our Board, participate in research working groups and other events, and give us real-world insight into how long-term strategies improve business performance. 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.

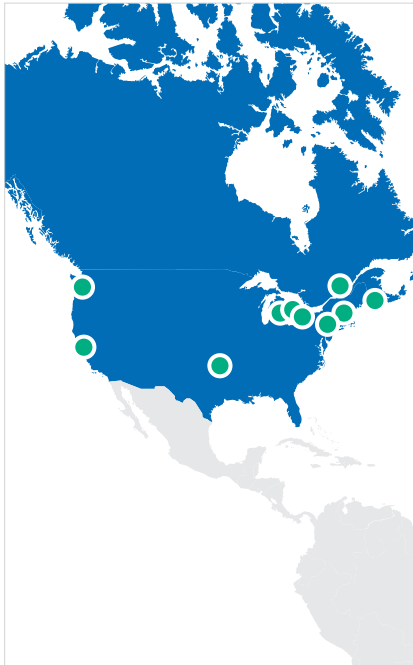
## 2019 Members



# Our Membership

## Global Reach

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



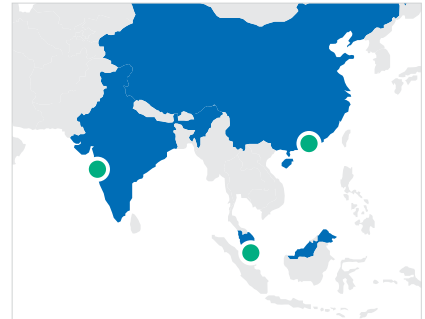
### North America

Montreal, Canada  
Toronto, Canada  
Boston, United States  
Dallas, United States  
Midland, United States  
New York, United States  
Olympia, United States  
San Jose, United States  
Westport, United States  
Chicago, United States



### Europe

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



### Asia/Pacific

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

# Our Research

FCLTGlobal research and tools drive long-term returns, growth, and savings. We work across the entire investment value chain to create practical steps that allow market leaders to make long-term practices a foundational element of their decision-making. Following are summaries of research we completed in 2019:



## Balancing Act: Managing Risk across Multiple Time Horizons

Pension plans, sovereign wealth funds, and endowments engage in a balancing act between short-term investment objectives and their long-term obligations. Even the longest-term investor must manage across multiple time horizons. This necessity is often at odds with most risk processes, which have been developed to address short-term risks or to target long-term return—but not both.

This report addresses the challenge of managing multiple-horizon portfolios by outlining why such management is important—considering barriers and hurdles—and describes tools that funds can use to address these challenges.

### Toolkits:

- *Addressing Investment Challenges*
- *Risk Conversation Guide for Boards and Staff*



## Public Markets for the Long Term: How Successful Listed Companies Thrive

By some accounts, public markets are out of fashion. Despite a decline in IPOs in mature markets, and the growth of private capital pools over the past few years, public markets continue to play a pivotal role in wealth creation, innovation, and capital stability.

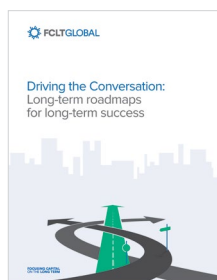
The short-term pressures of public markets are well documented, but the best-managed companies can and do take advantage of the benefits public markets have to offer. This report discusses why public markets remain an integral element of the long-term growth plans of top-performing companies.

### Toolkits:

- *Mitigating the Short-term Pressures of Public Markets*



Number of listed domestic companies and ratio of stock market cap to GDP.



## Driving the Conversation: Long-term Roadmaps for Long-term Success

Evidence shows that investors prefer communications that focus on explaining changes in key performance drivers. One example of this approach is long-term roadmaps, which create a single view of how a company intends to create long-term value.

By focusing on competitive advantages, long-term objectives, and clear capital allocation priorities, roadmaps can help companies build buy-in among long-term investors.

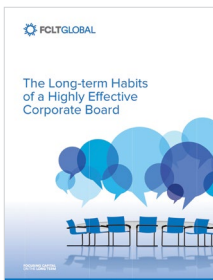
This report shows how roadmaps can shift the investor relations conversation from quarterly “hits” and “misses” to one focused on reviewing core growth drivers and progress in creating long-term value.

### Toolkits:

- *A CEO Guide to Long-term Roadmaps*

Investment decision makers in FCLTGlobal's Investor Guidance Preferences Study were in broad agreement about the top elements most important for inclusion in long-term roadmaps:

- 62%** wanted company commentary around **competitive advantages**.
- 52%** identified **capital allocation priorities**.
- 52%** look for companies to share their **long-term objectives**.
- 48%** cited company-identified **core drivers of growth**.



## The Long-term Habits of a Highly Effective Corporate Board

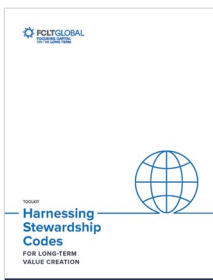
Corporate boards play a vital role in helping companies maintain a longer-term focus as well as provide guidance on shorter-term priorities. A typical board member often has served longer than the CEO—the sense of continuity that comes with extended tenure provides the board with a singular perspective on a company’s current and future path. A board can leverage its unique position to shape corporate culture through a mix of encouragement, skepticism, and guidance.

A board’s organizational advantage, governance responsibilities, and collective experience do not necessarily prevent short-term thinking or acting upon unproven or misleading advice. Directors themselves acknowledge they could do more to help the situation: one survey found that 60 percent of directors agreed they have a responsibility to tackle short-termism at their organizations.

This report reassesses some of the common counsel given to directors on issues like “over-boarding” and CEO-chair duality (where the evidence for long-term value creation is weak or contradictory) and identifies proven steps boards can take to strengthen their roles as long-term leaders with farsighted visions of corporate success.

### Toolkits:

- *Time Visualization Meter*
- *Cultivating the Long-term Habits of a Highly Effective Corporate Board: A Checklist for Self-assessment*

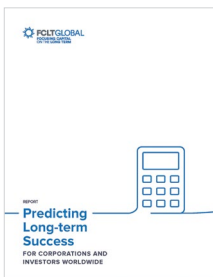


## Toolkit: Harnessing Stewardship Codes for Long-term Value Creation

Recent years have seen the emergence and proliferation of stewardship codes, governance documents that formally establish effective ways for investors to communicate with investee companies and lay out clear guidelines for rigorous monitoring.

Properly organized stewardship codes promote long-term thinking across the value chain by guiding investors and investees to focus on longer-term measures of success. Investors also can create their own stewardship principles to emphasize the issues that are important to their particular organizations. FCLTGlobal has assembled a suite of stewardship code materials for investors, companies, and regulators that advance the goal of improving long-term value creation:

- *Interactive Portal for Global Stewardship Codes*
- *Model Stewardship Code for Long-term Behavior*
- *Stewardship Checklist for Long-term Success*
- *Conversation Guide for Stewardship Teams*



## Predicting Long-term Success for Corporations and Investors Worldwide

There is growing evidence that companies that reach for short-term gains end up with lower corporate profits, reduced shareholder returns, and limited job creation. This report examines a diverse collection of global data to identify predictors of long-term health of companies, asset managers, and asset owners. Key findings include the following:

- Global companies are falling short on instituting long-term behaviors, scoring lower than they did in 2014 and still well below the level reached before the financial crisis, on our overall measure of long-term behavior. By adopting a long-term focus, global companies could have earned an additional US\$1.5 trillion per year in return on invested capital (ROIC).
- Buybacks and dividend increases that lead to overdistribution of capital can drain corporate performance. The analysis finds companies that choose to send growing amounts of capital back to shareholders generate lower five-year ROIC, while companies that reinvest greater portions of their earnings outperform their peers in ROIC by an average of 9 percent per year.
- Corporate R&D can boost returns. The analysis finds that additional research spending correlates to higher ROIC.
- Global asset managers with strong employee ownership are more likely to produce higher returns. Indeed, employee ownership is the strongest predictor of success for asset managers, particularly those in equity investing.
- Both governance and investment strategy influence net returns for asset owners. Relevant factors include board diversity, active ownership, lower costs, a higher funded ratio, and higher exposure to both public and private equity.



# 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.

## THOUGHT LEADERSHIP



L-R: Jim Yong Kim, Prime Minister Justin Trudeau, Neethi Bhala, Brian Moynihan, Hiro Mizuno, Mark Wiseman (FCLTGlobal Board Chair), Jean Raby (FCLTGlobal Member), Theresa Whitmarsh (FCLTGlobal Board Member)



## Driving action at the G20 Summit

Ahead of the G20 Summit in Buenos Aires, the World Bank Group and the Argentine government hosted The Investor Forum. This first-of-its-kind event brought together global investors and policy makers to identify the new behaviors necessary for increasing long-term, sustainable investments that promote economic growth.

The forum included a number of participants capable of leading fundamental change on a global scale. Argentinean president Mauricio Macri and Canadian prime minister Justin Trudeau were joined by ministers of finance

from Argentina, Chile, France, and Indonesia and the UK's chancellor of the exchequer.

Several of the world's largest investors, including several FCLTGlobal Members, also participated. The Investor Forum issued a communique titled *Buenos Aires Call to Action: Shaping the Future of Global Private and Public Investments*, a consensus statement including specific language on long-term, sustainable business practices that market participants can transform into tangible activity.





## Fostering a long-term focus in Davos

Globalization 4.0 was the theme of the 2019 World Economic Forum—the discussion in Davos represented a sea change: the debate no longer concerned why organizations should focus on longer-term goals but how to bring about this way of thinking on a truly global scale. Indeed, those who gathered in Davos were increasingly ready to take action to reverse the systemic focus on immediate returns at the expense of larger future value creation.

The emergence of sustainability criteria as norms in business and investment operations was apparent in Davos. While not synonyms, “sustainability” and “long-termism” have become key elements of a comprehensive view that took shape around what’s needed to drive global growth. The Future of Sustainable Investing, an event hosted by FCLTGlobal founding member BlackRock, made the case for sustainable investing and delved into the challenges that arise when measuring sustainability. FCLTGlobal CEO Sarah Williamson participated in a panel



discussion with the CEO of BlackRock, and FCLTGlobal strategic advisor Larry Fink, and Bank of England governor Mark Carney, moderated by *The Economist* editor Zanny Minton Bedoes.



Williamson also moderated the World Economic Forum panel Investing for the Long Haul. She was joined by FCLTGlobal board member Mark Machin (Canada Pension Plan Investment Board), Jan du Plessis (BT Group), Noreen Doyle (Newmont Mining), Jim Coulter (TPG), and Marty Flanagan (Invesco). The panelists discussed how industry disruption has forced businesses and investors to respond to short-term challenges without abandoning their long-term strategy. The panel also covered how a long-term investing approach can reduce the strain in investor-corporate relationships.



## Exploring long-term risk management at the 2019 Forum on Risk

In May, FCLTGlobal Members and guests met in Boston for The Forum on Risk: A Balancing Act, a peer-to-peer discussion about how best to manage risk to support long-term value creation. Forum participants exchanged examples of multi-horizon risk management and shared their successes and challenges in implementing the strategy. The forum included a number of smaller group sessions to encourage participation and engagement before takeaways were shared with the entire room.

The gathering also celebrated the contributions of prior working group participants to FCLTGlobal's recently published report, *Balancing Act: Managing Risk across Multiple Time Horizons*, which offered guidance on forging strong communication links between boards and staff on risk management issues. Recommendations included ways to establish a common information baseline, build appetites to take certain long-term risks, and anticipate board-level responses when risks materialize.



● Boston, Massachusetts



## Consulting on Stewardship Code Updates in the UK

Stewardship codes have become an important

tool to formalize the roles and obligations of corporations and investors with regard to corporate governance, integration of environmental, social, and governance (ESG) factors, financial transparency, and fiduciary duty. In early 2019, the Financial Reporting Council (FRC), an independent UK regulator, proposed updates to its code to better reflect the changing landscape of institutional investment. FCLTGlobal numbered among the organizations that provided input to FRC on this issue.

Our comments emphasized the importance of clearly reinforcing the principle that investors take a long-term approach in their stewardship of their beneficiaries' assets. Subsequently, a revised version of the UK Stewardship Code was released in October, effective in January 2020, with new provisions that call on pension funds, insurance firms, and asset managers to show how they protect and enhance their investments' long-term value.



● London, United Kingdom



### Sharing research on the quarterly cycle with the SEC

In July, the U.S. Securities and Exchange Commission (SEC) held a public roundtable about the impact of short-termism on capital markets. The meeting explored whether the current reporting system, or other aspects of existing regulation, should change to address these concerns. The meeting came as the SEC has taken steps to develop a deeper understanding of the benefits of long-term corporate management and the impact of short-term business practices. A panel member, Sarah Williamson summarized recent research to reinforce the view that long-term-oriented companies outperform their shorter-term peers on a number of economic and financial metrics in addition to generating greater employment, wealth, and economic growth. Joining her on the panel were colleagues from academia and the U.S. business and investment community.



### Leading the WEF Global Future Council on Investing

The World Economic Forum's Global Future Councils are a global network dedicated to promoting innovative thinking to shape a sustainable future. The annual meeting of the Global Future Councils in Dubai in November brought together leaders from some of the world's foremost asset managers, institutional investors, and companies to share innovative thinking around global, regional, and geopolitical issues.



The mandate of the Global Future Council on Investing, cochaired by Sarah Williamson and Alison Tarditi (Commonwealth Superannuation Corporation), is to create a practical path forward for more universal long-term investment. Participants at the Global Future Council's Dubai meeting examined potential risks relating to private markets, globalization, and algorithmic investing. The findings from the discussion have contributed to development of the agenda for the WEF's 2020 annual meeting in Davos, Switzerland, as well as its ongoing global initiatives.



# Global Impact

## Working Groups

Working groups, where we assemble Members with expertise and interest in a topic to shape and respond to our research, are the primary way FCLTGlobal ensures that its research and practical tools reflect the realities of the current business climate. Thanks go to our participating Members, especially those who hosted these meetings.

### STEWARDSHIP CODES AND LONG-TERM VALUE CREATION

**New York, NY**

Hosted by Neuberger Berman

**London, UK**

Hosted by Hermes Investment Management

Our work in this area analyzed existing stewardship codes in connection with the promotion of long-term value creation. This project built on prior discussions held at the G20 Investor Forum in Buenos Aires in late 2018. Participants in this session explored how asset owners and asset managers can incorporate stewardship principles in their investment mandates and branding, and shared best practices and lessons learned about how responsible investing, ESG, and governance teams can encourage stewardship.

### ACTION CHECKLIST FOR THE LONG-TERM CFO

**New York, NY**

Hosted by McKinsey & Company

**London, UK**

Hosted by EY

This working group considered the specific pressures on CFOs to favor short-term performance over long-term value creation, explored the “one-of-a-kind” CFO role in striking an appropriate short-term/long-term balance, and shared practical actions that CFOs can take to promote long-term value creation while also addressing short-term performance requirements.

### MANAGING INNOVATIVE R&D

**London, UK**

Hosted by Baillie Gifford

R&D often generates transformational returns for an organization, but R&D spending faces a unique set of short-term pressures. The report from this meeting presented alternative ways to manage and evaluate R&D investments that insulate high-potential projects from short-term biases.

### SHARES WITH DIFFERENT VOTING RIGHTS

**Montreal, Canada**

Hosted by Caisse de dépôt et placement du Québec

Market observers and participants often debate the long-term merits of dual-class share listings. Members who attended this meeting reviewed FCLTGlobal’s research on this topic conducted with the University of Virginia, heard organizations’ positions and investment beliefs surrounding dual-class shares, and shared insight about practices that help keep the focus on the long term.

# 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.

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### **RECENT EVENTS FEATURING FCLTGLOBAL RESEARCH AND SPEAKERS INCLUDE THE FOLLOWING:**

- National Institute on Retirement Security: Annual Policy Conference
- Pacific Pension Institute Winter Roundtable
- Council of Institutional Investors Spring Conference
- National Investor Relations Institute Silicon Valley Spring Seminar
- Top1000funds.com Fiduciary Investors Symposium
- Milken Global Institute Conference
- McKinsey Global Sustainability Summit
- National Investor Relations Institute Annual Conference
- Yale CEO Summit
- Panmure House Launch Summit
- 11th Annual International Federation of Sovereign Wealth Funds Annual Meeting
- GIC Insights
- International Centre for Pension Management Discussion Forum
- Investment Magazine Equities Summit

# Global Impact

## In the News

AGENDA  
A Financial Times Service

AUSTRALIAN  
FINANCIAL REVIEW

BARRON'S

Bloomberg

BUSINESS  
INSIDER



FT FINANCIAL  
TIMES

Forbes

FUNDfire



Institutional  
Investor



INVESTORPLACE



MARKETPLACE

OZY

top1000funds  
INVESTMENT STRATEGIES FOR THE WORLD'S LARGEST INSTITUTIONAL INVESTORS

THE WALL STREET JOURNAL

### Asset Managers With This Characteristic Earn Higher Returns Over Time *Institutional Investor*

"There may be a way to predict which asset management firms will actually deliver over the long term. FCLTGlobal . . . on Monday published a report identifying behaviors which it says can predict long-term success for asset managers, asset owners, and public companies. The study included large, publicly traded companies featured in MSCI's all-country index; asset managers representing \$45.6 trillion under management; and nearly 200 pension and sovereign wealth funds."

### Long-Term Investors Deserve More Than Quarterly Forecasts *Barron's*

"Globally, only 8.7% of companies in the MSCI All Country World Index issue guidance beyond one year. But these kinds of long-term plans are exactly what investors are clamoring for. [FCLTGlobal's] survey of institutional investment decision-makers found that 86% want companies to share targets at least three years out. And a survey from Rivel Research found 93% of global buy-side investors prefer targets of one year or more. Long-term planning can help companies, too. Not only can it focus them on their core mission, but it attracts long-term investors and can act as a deterrent or buffer against activist attacks."

### The Hidden Risk When You Own Stocks for the Long Run *The Wall Street Journal*

"[FCLTGlobal] is urging companies to move away from offering projections of short-term profits. Instead, they should adopt what FCLTGlobal calls 'long-term roadmaps,' periodic reports on progress toward multi-year strategic targets: new products or markets, investment in technology, likely uses for excess cash and so forth. Investors could then more clearly track progress toward companies' goals. As of 2017, according to FCLTGlobal, only 22% of major global companies offered projections of capital expenditures more than one year ahead."

# Professional, Sustainable Organization

## Board of Directors & Strategic Advisors

Since FCLTGlobal's founding, our Board of Directors has empowered us to make meaningful changes in capital markets. As the leaders of many of FCLTGlobal's Member organizations, our directors are uniquely positioned to become catalysts for creating engagement and impact on a global scale. We want to express our appreciation to Mark Weinberger, former chairman and CEO of EY, who completed his role as a director in 2019 and will continue to serve FCLTGlobal as a strategic advisor. Mark's tenure at EY saw a marked focus from the organization on issues related to long-term investment and business management practices. We are grateful for his guidance and congratulate him on many years of service to EY.

### Board of Directors



**Vijay Advani**  
Chief Executive Officer  
Nuveen



**Mark Machin**  
President and CEO  
Canada Pension Plan  
Investment Board



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



**Leni Boeren**  
CEO  
Kempen Capital Management



**Geraldine Matchett**  
Chief Financial Officer  
DSM



**Sarah Williamson**  
CEO  
FCLT Global (ex-officio)



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



**Paul Polman**  
Co-founder  
IMAGINE



**Mark D. Wiseman**  
FCLTGlobal Board Chair and  
Global Head of Active Equities and  
Chairman of Alternative Investors  
BlackRock



**Peter Harrison**  
Group Chief Executive  
Schroders



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



**Chow Kiat Lim**  
CEO  
GIC



**Howard Ungerleider**  
President & Chief Financial Officer  
Dow  
Chief Financial Officer  
DowDuPont

### FCLTGlobal Strategic Advisors



**Dominic Barton**  
Global Managing Partner Emeritus  
McKinsey & Company



**Larry Fink**  
Chairman and CEO  
BlackRock



**Mark Weinberger**  
Former Global Chairman & CEO  
EY



**Else Bos**  
Executive Director and  
Chair of Prudential Supervision  
De Nederlandsche Bank



**Andrew N. Liveris**  
Former Chairman and CEO  
The Dow Chemical Company  
Executive Chairman  
DowDuPont



**Natarajan Chandrasekaran**  
Chairman  
Tata Sons



**Nitin Nohria**  
Dean  
Harvard Business School



# Professional, Sustainable Organization

## Staff

Our staff is responsible for working—tirelessly and with great enthusiasm—toward our vision each and every day. We have built a team that has both deep experience in the investment and business communities and a dedication to our goal of achieving a long-term orientation in the global capital markets.

## Staff

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**Sarah Williamson**  
CEO



**Bryn Costello**  
Office Coordinator



**Anna Maria Recupero**  
Executive Assistant  
to the CEO



**Kersten Lanes**  
COO



**Allen He**  
Senior Research Associate



**Bruce Shaw**  
Managing Director,  
Research



**Alison Loat**  
Senior Managing Director



**Matthew Leatherman**  
Director



**Sara Simonds**  
Director,  
External Relations



**Peggy Adams**  
Managing Director



**Bhakti Mirchandani**  
Managing Director



**Victoria Tellez**  
Research Associate



**Ariel Babcock**  
Managing Director,  
Research



**Kate O'Donnell**  
Events Planner



**Steve Boxer**  
Managing Director



**Ross Parker**  
Manager, Communications

# 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 maps 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.

### 2019

- Innovations for long-term companies to thrive in the publicly traded capital markets  
*Public Markets for the Long Term (2019)*
- Roadmaps for strategic engagement between corporations and long-term shareholders  
*Driving the Conversation: Long-term Roadmaps for Long-term Success (2019)*
- Conversation guide for asset owners to address the distinct risks of long-term capital  
*Risk Conversation Guide (2018)*
- Lessons learned from stewardship efforts around the world  
*Harnessing Stewardship Codes for Long-term Value Creation (2019)*
- Long-term corporate boards: analysis and self-evaluation tool  
*The Long-term Habits of a Highly Effective Corporate Board (2019)*
- Tracking progress on indicators of long-term capital allocation behavior  
*Predicting Long-term Success for Corporations and Investors Worldwide (2019)*

### 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.
- **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.
- **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.
- **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.
- **Long-term Metrics**  
This report 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.



## TRACKING LONG-TERM PROGRESS

Our work aims to change long-term behavior across the entire investment value chain, and we want to measure the impact we make. We are in the process of creating a series of evaluative metrics for asset owners, asset managers, and companies to evaluate indicators of long-term behavior. **Slated for launch in 2020.**



## A THRIVING ORGANIZATION

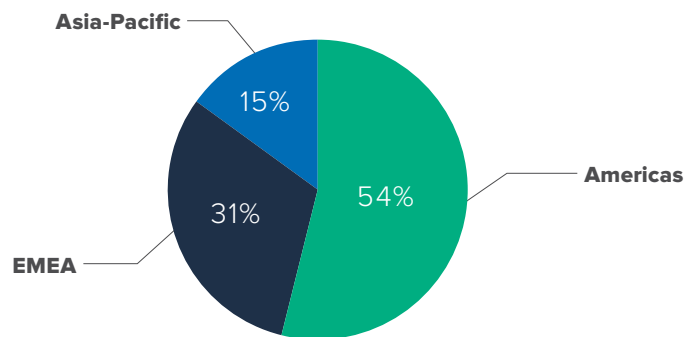
Our organization will evolve to meet the needs of our Members and other stakeholders.



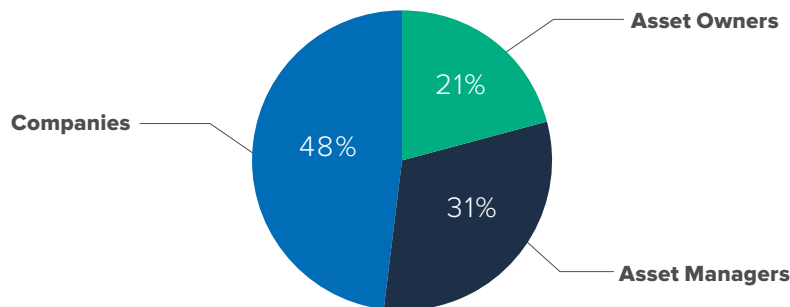
## A GLOBAL MEMBER BASE

We seek to grow our membership of widely-respected organizations around the world and across the investment value chain.

### Even Member Distribution Across Geographies



### Even Member Distribution Across Sectors



**FOCUSING CAPITAL  
ON THE LONG TERM**



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