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A Foundation for the Long Term: A Letter from our CEO

Two years ago, FCLTGlobal was established with a fundamental belief that long-term investing makes the world better for us all. Companies and their investors benefit by focusing on the long term, to be sure, but more important are the wider beneficiaries: the people whose savings investors manage and the many stakeholders a company serves.

This work began with the Focusing Capital on the Long Term initiative, led by a passionate group of business and investment leaders who saw clearly the harm of short-term decisions and investments. Under the leadership of these founding companies—The Canada Pension Plan Investment Board, McKinsey & Company, BlackRock, The Dow Chemical Company, and Tata Sons—FCLTGlobal has grown into a dedicated organization supported by a network of 47 like-minded organizations working toward a common goal: instilling a long-term outlook across asset owners, asset managers and companies in the global capital markets and turning that outlook into action.

The first step was underscoring the power of being long-term. In the last two years, FCLTGlobal's research has helped bring long-term business practices to the forefront, addressing the perception that short-term behavior is inevitable or simply a response to market conditions.

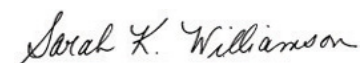
The second step has been working with our Members to provide practical tools to tackle the sources of short-term pressure. By working on topics such as ending quarterly guidance and establishing long-term investment mandates, we can address pressures arising from incentives across the investment value chain, from habits we have developed in the capital markets, and from our own human behavioral tendencies. Our current research agenda builds on this work to develop additional levers for business and investment leaders to consider:

- **Boards:** Leadership clearly sets the tone for an organization. What practical steps can company boards of directors take to foster an environment that creates value for the long term?
- **Risk and Reward:** Savers' long-term goals can be better realized when asset owners recognize the challenges inherent in managing across long-term time horizons. How can asset owners and managers effectively meet both near-term expectations and long-term obligations?
- **Dialogue:** Discussion of long-term strategies between companies and their shareholders fosters shared commitment towards long-term goals. How can companies articulate and debate their long-term plans with investors, rather than being caught up in the quarterly noise?

The third step of our research is to develop a method for calculating the scope of long-term behavior in capital markets. A major forthcoming project will produce a program that identifies, and annually measures, the indicators of long-term value creation so all market participants can concretely understand what drives it and what they can do to achieve it.

At FCLTGlobal, our focus is squarely on the long term and our work is just beginning. That said, two years in, we would like to pause and recognize the progress to date and the role so many have played in it. Thank you to all of our Founders, Members, colleagues, and friends who have supported this mission. We look forward to the shared journey ahead.

Sincerely,



Sarah Keohane Williamson
Chief Executive Officer

FCLTGlobal by the Numbers

July 2016 to November 2018



47

MEMBERS



62%

ANNUAL MEMBER
GROWTH



100%

MEMBER CEO
ENGAGEMENT



7

PUBLICATIONS



154

SUMMIT ATTENDEES



49

EVENT PRESENTATIONS



10

GLOBAL RESEARCH
WORKING GROUPS



15

STAFF



69%

BUDGET ALLOCATED
TO RESEARCH

As of November 2018

Our Story

The concept of short- and long-term markets is not new. Managers, economists and investors have long struggled with how to weigh the immediate financial pressures against objectives many years into the future. We believe this balance is skewed toward investors and companies hitting near-term targets at the expense of long-term value creation. To safeguard the future needs of individual savers and their communities, something had to change.

Focusing Capital on the Long Term began in 2013 as an initiative of the Canada Pension Plan Investment Board and McKinsey & Company whose leaders at the time, Mark Wiseman and Dominic Barton, observed undue short-term pressure on the investors and CEOs with whom they worked. Together with their teams, the Focusing Capital on the Long Term initiative leaders sought to test their observations both through research and through conversations with other business leaders.

The initiative's message caused the financial world to take notice, and, above all, set the tone that those who participate in the capital markets are uniquely positioned to fix their faults. It was in this spirit that **The Canada Pension Plan Investment Board** and **McKinsey & Company**, together with **BlackRock**, **The Dow Chemical Company** and **Tata Sons** established FCLTGlobal and recruited the inaugural Member organizations from across the investment value chain to launch a shift in global markets.

As an independent not-for-profit organization, FCLTGlobal works to encourage a longer-term focus in business and investment decision-making. We do so by developing practical tools and real-world approaches to that can help encourage such behaviors. The Board of Directors, Strategic Advisors, Members, and full-time staff are working together to rewire capital markets and the relationships among the organizations that operate within them, to better meet long-term goals.

At the heart of this work is a focus on the financial needs and ambitions of everyday savers, whose own long-term goals—whether saving for a home, an education, or retirement—too often are lost in the complexity of the financial markets. By working across the investment value chain, emphasizing the practical nudges and initiatives that all market participants can take, FCLTGlobal can, with your help, make long-term practices the norm, not the exception.

Founders

BLACKROCK



McKinsey&Company



Inaugural Members



atp=



Kempen



STATE STREET
GLOBAL ADVISORS

SULLIVAN & CROMWELL LLP



WASHINGTON STATE INVESTMENT BOARD

Our Community

Our Member community is at the heart of our organization. Changing capital markets for the better must happen from the inside out, and our Members are committed to helping us do exactly that. Members help us further our cause by working with other global business leaders to shape the course of our ongoing research projects through frequent dialogue and working sessions, developing practical tools to position their organizations and other market participants for long-term success.

Membership is available to leading organizations with a demonstrated commitment to long-termism. All Members are asked to make a multi-year contribution of executive time, delegate participation, and significant resources to our efforts. We welcome any organization interested in more information about being an FCLTGlobal Member to contact us.



Our Approach

At FCLTGlobal, we take a holistic approach to accomplishing our ultimate aim of reorienting capital markets toward longer-horizon goals and objectives.

1

INNOVATIVE RESEARCH

Highlights:

Seven research reports driving action, including eliminating quarterly guidance and moving toward longer-term investment mandates

2

ENGAGED MEMBERSHIP

Highlights:

47 highly respected Members across the investment value chain and globally

CEO-level engagement

Member institutions deeply involved in research development and implementation

3

BUILDING MOMENTUM FOR CHANGE

Highlights:

Increasingly recognized for practical, evidence-based research

Growing media coverage in leading business publications

Open architecture and strong working relationships with many top-tier business organizations world-wide

4

PROFESSIONAL, SUSTAINABLE ORGANIZATION

Highlights:

Board and Strategic Advisors from leading corporate and investment organizations

Professional staff across all functions

Collaborative culture of fact-based debate

Innovative Research

Each of our research projects explores areas that are critical to building the long-term investment value chain. To date, our research has focused on both making the case for being long-term and developing practical approaches market participants can take to combat short-term pressures. In many ways, our work has just begun, but the response to thus far shows us that the time is right for change.

Making the Case

Two seminal projects outlined the costs of nearsighted corporate behaviors, and the value long-term oriented companies can bring to shareholders, employees, and global economies.



Rising to the challenge of short-termism examines the results of a survey of over 1,000 C-suite executives and board members and reveals that perceptions of excessive short-term pressures are real and affect the most fundamental decisions board and corporate executives make. Compared with the results of a similar survey in 2013, even more executives report feeling most pressured to produce results in two years or less. This project reconsiders what can be done to ensure long-term business priorities take their proper place in corporate planning and strategy development and implementation.



Measuring the Economic Impact of Short-termism is a systematic measurement of long- and short-termism at the company level conducted by the McKinsey Global Institute with our input. Its findings show that companies classified as “long-term”, despite being punished by the market during periods of short-term stress, outperform their shorter-term peers on a range of key economic and financial metrics, including revenue and earnings, investment, market capitalization, and job creation.

Practical Action

Additional original reports, the culmination of analysis, review, and input from our Members, put a spotlight on topics that contribute to mitigating short-term behaviors in today's capital markets.



In response to mounting evidence that companies that play the quarterly guidance game lose in the long run, ***Moving Beyond Quarterly Guidance: A Relic of the Past*** examines the downsides of issuing quarterly guidance and suggests viable alternatives to communicating progress to shareholders. This project serves as a tentpole publication for our organization, particularly in light of recent questioning of the merits of quarterly corporate communications. *A Relic of the Past* is a source of information for those in search of more constructive, productive ways to share an organization's momentum with its investor community.



A major source of short-term behavior is the friction along the investment value chain between key market participants. ***Institutional Investment Mandates: Anchors for Long-term Performance*** was developed to align the missions of asset owners that are entrusted with savers' money and the asset managers they contract to invest these funds efficiently, even as owners' and managers' timelines and incentives differ. Our report outlines ways in which these major players can identify and embed common priorities by building their relationship and formal agreement, the investment mandate, on long-term metrics and goals.



The 2018 Focusing Capital on the Long Term Summit convened more than 150 C-level business and investment leaders in a closed-door event to address the problem of short-term behaviors in capital markets. While it is impossible to capture all the energy and commentary of the day, the ***2018 Summit Summary*** provides high-level summaries of the major sessions, which helped shape our subsequent research priorities, including in the practical projects covered in this report.



Long-term Boards in a Short-term World, the first of two papers published under the FCLTGlobal Idea Exchange series, considers the characteristics and dynamics of a long-term-oriented board of directors, proposing practical changes that can alleviate pressures to act for short-term benefit and sacrifice long-term gains. The Idea Exchange is a collection of observations and opinions designed to spur discussion on how investors and business leaders can drive greater long-term behaviors.



We Need to Talk: Driving Long-term Value Through the Investor/Corporate Dialogue studies a corporation's long-term communications. Corporate CEOs seldom hear from their long-term shareholders about strategic issues. In contrast, CEOs and their boards feel a great deal of pressure from short-term investors or those representing them. Strategic engagement, as outlined in this Idea Exchange, ensures both that shareholders understand these key drivers and that corporations understand the interests of their long-term shareholders.

Engaged Membership

Since our inception, FCLTGlobal's Founders and Members have been our partners in addressing the barriers to long-term value creation and serve as our ambassadors world-wide. Together they span the entire investment value chain and are committed to accomplishing tangible actions to lengthen the time frame of capital allocation decisions. Each organization has individually given the time, effort, and expertise of its CEO and executive team to our efforts, and the momentum FCLTGlobal has generated to date is a testament to their dedication to our work and commitment to our goals.

To say that our Founders and Members are important to our organization is an understatement—they are fundamental. They sit on our Board, they participate in research working groups and other events, and they give us real-world insight as to how long-term strategies are improving business in today's economy. Our Member community provides us, and each other, with the means to 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, and each of the organizations below has met the challenge with enthusiasm and passion.



As of November 2018

Engaged Membership

Driving our Research Forward

RESEARCH WORKING GROUPS

An important goal of FCLTGlobal's research is to develop practical tools to drive action toward effective long-term capital allocation across the investment value chain. A primary way we do this is through working groups, where we assemble Members with expertise and interest in a topic to react to our research findings and problem-solve. The output from each of these sessions allows us to reflect the realities of the current business climate in our work.

For example, for our project on long-term risk, Members met in London in June, hosted by State Street Global Advisors, and again in Amsterdam in September, hosted by APG, to respond to a working draft of a "risk conversation guide", as well as to share experiences with practices that help them to focus on long-term risk during their own work. As part of a wider look at how investors can balance the need to meet long-term obligations while maintaining the support of their constituents along the way, FCLTGlobal's conversation guide will outline set of questions investment committee members can use to guide a long-term dialogue with their risk staff.

We facilitate similar sessions on how to develop a long-term corporate board. Members came together at the offices of Wachtell Lipton Rosen & Katz in Manhattan and again in London at the offices of HSBC to share insights into catalyzing this sort of organizational mindset. The group debated the right set of "long-term" characteristics, and what prevents these from being put into action. The diversity of voices in the room shed light onto areas that require further clarity and direction.

Workshops like these provide our Members the opportunity engage with each other and shape our work. We thank all our Members who took part, especially those who kindly offered to host.

PUTTING THEORY INTO PRACTICE

Together with our Members and colleagues inside and outside the investment industry, we are striving to create

a groundswell that will shift business toward the long term. Our projects are engineered to be practical and applicable for a reason: talk is not enough to get the job done. What we discuss in forums and workshops must translate into the changing of behaviors and the reallocation of capital. Here are examples of this impact.

Shaping a longer-term corporate-investor dialogue

Our research brings to life the disconnect between investors and corporate managers. For example, surveys indicate that while just nine percent of investors find quarterly earnings guidance to be important, 55 percent of CFOs admit to delaying NPV-positive projects to hit quarterly earnings targets.

Our research—including *Moving Beyond Quarterly Guidance: A Relic of the Past* and *We Need to Talk: Driving Long-term Value Through the Investor/Corporate Dialogue*—has laid out the case for change. In the summer of 2018, headlines focused on the short-term mentality that too often characterizes business. Since then, there's been a growing call to shift away from quarterly guidance from key American business leaders. In the US, the Business Roundtable urged public companies to reduce or eliminate the practice of providing forward estimates of quarterly earnings. The National Association of Corporate Directors (NACD) issued a statement supporting companies' efforts to move away from a short-term focus and instead "devote their attention to the long-term growth of their companies and the economy as a whole." Additionally, the National Investor Relations Institute (NIRI) announced an update to its guidance policies, citing FCLTGlobal's data and recommending that company guidance reflect at least one-year terms with metrics that represent the key long-term value drivers.

Realigning investment incentives

Our research, including input from various global pension and sovereign wealth funds, illustrated ways in which investment mandate contracts can help investors better align their long- and near-term goals. Several FCLTGlobal Members have already incorporated these

Engaged Membership

Driving our Research Forward

ideas into their own investment mandate processes, and while the specific terms of these mandates are confidential, we hope that the research continues to inspire asset owners and managers to structure long-term mandates.

MEMBER EVENTS

Our Members' events, working sessions, and professional forums are ways for us to share our work on a global stage and to start important dialogues with decision-makers that can help foster the long-term mindset we hope to see in global markets. Examples include the following:

Insights Forum, GIC

The 2017 edition of GIC's annual event brought together more than 100 senior business leaders to weigh in on the theme of Asia's evolving role in an uncertain world. The discussion ranged from the current challenges and prospects facing Asian business to addressing the ever-present dilemma of digital disruption, the integration of artificial intelligence, and how best to develop a long-term roadmap in today's dynamic global business climate.



FCLTGlobal led one of the event's concluding sessions, A Long-term Future in an Uncertain World. In that session, panelists outlined the key factors shaping long-term outlooks, such as an increasingly digital economy, shifting demographic preferences and climate change. Steps were laid out

that could integrate long-term strategies into investment decisions, including: designing more appropriate incentives and mandates, taking a more active approach to stakeholder engagement, and ending the practice of quarterly guidance.

Investment Seminar, Kempen Capital Management

In the fall of 2017 FCLTGlobal joined Kempen Capital Management to take part in an in-depth discussion on the future of institutional investment mandates. The forum explored how to take a core component of the relationship between asset owners and asset managers and transform it into a set of long-term guidelines that can steer investment behaviors toward success. The information presented was based on a series of working groups with leading asset owners and asset managers from around the world, much of which formed the basis of our research report on investment mandates published in several months later.

Public & Private Markets Forum, Schroders

Healthy, long-term-oriented capital markets, public and private, are important to the wellbeing of our global economy. A growing and persistent preference toward private equity has presented a significant challenge to public markets, which have seen a considerable drop in the number of public listings in many countries in recent years. FCLTGlobal joined a panel hosted by Schroders to tackle this topic in London, discussing the increasing importance of private equity in today's investment environment.

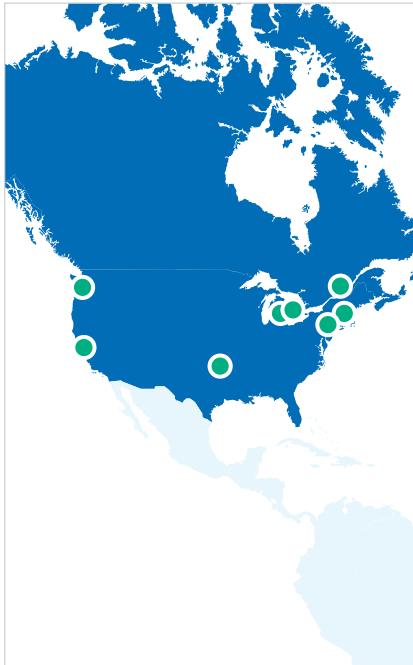


The panel emphasized the barriers to private asset investing for individual savers and concluded with a discussion about the role of regulation and its impact on public markets moving forward. The balance between private and public equity is important to the wellbeing of capital markets and the wider economy. As an organization striving to better align incentives across the investment value chain, FCLTGlobal relishes the opportunity to be a part of these debates.

Engaged Membership

Global Reach

Our Members are headquartered in 13 countries and collectively operate in nearly every country around the world.



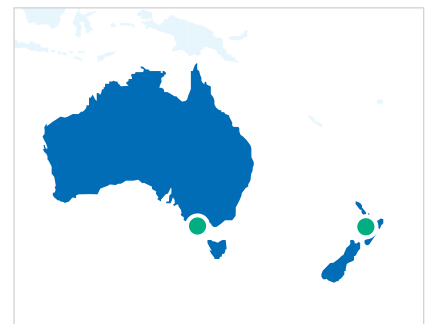
North America

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



Europe

Hilleroed, Denmark
Paris, France
Amsterdam, The Netherlands
Heerlen, The Netherlands
Zeist, The Netherlands
Baar, Switzerland
Brentford, United Kingdom
London, United Kingdom



Asia /Australia

Melbourne, Australia
Hong Kong, China
Mumbai, India
Kuala Lumpur, Malaysia
Auckland, New Zealand
Singapore, Singapore

Building Momentum for Change

Media

Establishing FCLTGlobal as a thought leader on the issue of long-term capital markets was a primary goal in 2018. Our work and commentary was included in notable news outlets around the world, including the following:

AUSTRALIAN
FINANCIAL REVIEW

Benefits
MAGAZINE

Bloomberg

Economist

FT FINANCIAL
TIMES

Forbes

FORTUNE

Harvard
Business
Review

INVESTMENT & PENSIONS EUROPE
IPE

investmentnews
NEW ZEALAND

IR
magazine

THE
IRISH
TIMES

MARKETPLACE*

live
mint

Pensions&Investments

top1000funds.com

THE WALL STREET JOURNAL.

“Its member base reads like a who’s who of investors and companies, and includes... sovereign wealth funds from New Zealand, Malaysia, Singapore and the Netherlands.”

– Australian Financial Review, 2018

“FCLTGlobal [is] set up by a group of large investors with the objective, in line with its initials, of Focusing Capital on the Long Term. The idea makes eminent sense.”

– Financial Times, 2017

“The organization is a ‘do-tank’, not a think-tank. Member companies are expected to contribute intellectual capital, to come up with practical ideas and serve as test kitchens to see how they play out.”

– The Economist, 2017

Building Momentum for Change

Events

Global by design, we amplify our research and progress by participating in and hosting various regional events. FCLTGlobal convenes or joins conferences and forums that bring together business and investment leaders from across the investment value chain to surface and debate today's most important issues. Examples of our global reach and impact include the following:

FCLTGLOBAL LAUNCH

After three years of work on the Focusing Capital on the Long Term initiative, FCLTGlobal was incorporated as an independent entity in the summer of 2016. The initial efforts of the five Founders and 14 inaugural Members culminated on 28 September with our formal launch in New York. The event covered progress made to date, laid out the new organization's path forward and officially introduced Sarah Keohane Williamson as FCLTGlobal's Chief Executive Officer.

The agenda consisted of discussions surrounding how best to change minds and behaviors within the investment industry. The common understanding of the destructive nature of short-termism set a tone of optimistic urgency. FCLTGlobal's Board of Directors, selected from among the leaders of today's top investor and corporate organizations, provided a first-hand look at how actors from all across the investment value chain play a unique yet vital part in fostering a global long-term business environment.



FOCUSING CAPITAL ON THE LONG TERM SUMMIT

The Focusing Capital on the Long Term Summit convened more than 150 Members and select business leaders in a closed-door event to address the problem of short-term behaviors in capital markets. The 2018 Summit was a highly productive day devoted to discussing practical actions to encourage long-term business and investment decisions. Interactive sessions focused on topics such as the opportunities and risks of long-term capital allocations and examined the relationship between asset owners and asset managers and between investors and companies. Leaders from global corporations, asset managers, and institutional investors were joined by representatives from FCLTGlobal's Member organizations in a series of working sessions producing key takeaways around fostering a greater focus on long-term-oriented metrics,



Building Momentum for Change

Events

increasing transparency in capital allocation decisions, weighing long-term risks against clients' and companies' objectives, and creating potential incentives for long-term shareholders. The day included a CEO panel on activist investing, featuring Dominic Barton from McKinsey & Company, Larry Fink from BlackRock, Andrew Liveris from DowDuPont, Paul Polman from Unilever, and Michael Sabia from CDPQ. Guests also heard from Jay Clayton, Chairman of the Securities and Exchange Commission, in a concluding plenary session.

The Summit, which will be held every two years, was a critical step in establishing hands-on executive involvement and creating a deeper and broader understanding of the benefits of long-term investment.



CEO ROUNDTABLE

FCLTGlobal continues to build on this annual tradition, established in the days prior to our founding, of hosting a Member CEO Roundtable alongside the World Economic Forum Annual Meeting in Davos. What emerges from these sessions, and the WEF Annual Meeting in general, is direction, motivation, and a consensus on the need for immediate action.

EXTERNAL EVENTS

FCLTGlobal leadership and staff attend external conferences to share our work and spread our message about best practices for long-term investing. Recent events where FCLTGlobal has been featured include the following:

Asia Business Council Spring Forum

G20 Investor Forum

Harvard Business School Sustainability Conference

International Federation of Sovereign Wealth Funds Annual Meeting

Investments & Pensions Europe Conference

Milken Institute Asia Summit

NIRI Annual Conference

Pacific Pensions & Investments Roundtable

Strategic Investor Initiative CEO Investor Forum

Top1000Funds Fiduciary Investor Symposium

United Nations Inter-Agency Task Force on Financing for Development

World Economic Forum's Annual Meeting of the Global Future Councils

Professional, Sustainable Organization

Board of Directors & Strategic Advisors

Since FCLTGlobal's founding, we've been supported by the dedication and inspiration of the members of our Board. The support of these directors has given FCLTGlobal the momentum needed to begin to effect real, measurable change in our capital markets.

We express our deep appreciation to several members of our board who are completing their director roles in 2018 and will continue to serve FCLTGlobal as Strategic Advisors. Dominic Barton, of McKinsey & Company, whose writings on the perils of short-termism served as the initial spark for this effort, has been a driver and thought leader of this initiative since the beginning. After more than 30 years with McKinsey, Dominic was named Global Managing Partner Emeritus in 2018. Andrew Liveris, former Chairman and CEO of The Dow Chemical Company and Executive Chairman of DowDuPont, has come to be known as an international advocate for the criticality of manufacturing to long-term economic health and has been an ardent proponent of our global mission. Else Bos, Executive Director and Chair of Prudential Supervision at De Nederlandsche Bank and former CEO of PGGM, is emblematic of the long-term mindset that has long existed in Dutch business, and her guidance and insight have been invaluable in the pursuit of a longer-term business climate.

We also thank Cyrus Mistry (former CEO of Tata Sons) and Randall Stephenson (Chairman and CEO, AT&T), both of whom served on the Board during our crucial initial years, for their contributions and support to our growing organization.

As of November 2018

FCLTGlobal Board of Directors



Mark D. Wiseman

FCLTGlobal Board Chair and Senior Managing Director, Global Head of Active Equities, and Chairman of BlackRock Alternative Investors



Dominic Barton

Global Managing Partner Emeritus, McKinsey & Company



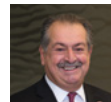
Else Bos

Executive Director and Chair of Prudential Supervision, De Nederlandsche Bank



Chow Kiat Lim

CEO, GIC



Andrew N. Liveris

Former Chairman and CEO, The Dow Chemical Company and Executive Chairman, DowDuPont



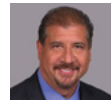
Mark Machin

President and CEO, Canada Pension Plan Investment Board



Paul Polman

CEO, Unilever



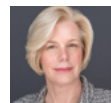
Mark A. Weinberger

Global Chairman & CEO, EY



Theresa J. Whitmarsh

Executive Director, Washington State Investment Board



Sarah Keohane Williamson

CEO, FCLTGlobal (ex-officio)

FCLTGlobal Strategic Advisors

Natarajan Chandrasekaran

Chairman, Tata Sons

Larry Fink

Chairman and CEO, BlackRock

Nitin Nohria

Dean, Harvard Business School

Professional, Sustainable Organization

Staff

Our staff is responsible for the ongoing efforts of FCLTGlobal. 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

Peggy Adams

Managing Director

Ariel Babcock

Director

Steve Boxer

Managing Director

Bryn Costello

Administrative Assistant

Allen He

Senior Research Associate

Kersten Lanes

COO

Matthew Leatherman

Director

Alison Loat

Managing Director

Nuria Martinez

Membership Associate

Bhakti Mirchandani

Managing Director

Kate O'Donnell

Events Manager

Ross Parker

Communications Associate

Anna Maria Recupero

Executive Assistant to the CEO

Sara Simonds

Associate Director

Victoria Tellez

Research Associate

Sarah Keohane Williamson

CEO

Our Long-term Roadmap

Encouraging companies to present long-term plans, or roadmaps, is a key theme of our philosophy on sound business strategy. Such plans forgo projecting the next quarter or fiscal year and give stakeholders a look at a company's goals for the future. Naturally, we have one of our own, mapping out our trajectory as an organization through 2021.



AN AMBITIOUS RESEARCH AGENDA

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

Current Topics

- Innovations for long-term companies to thrive in the publicly-traded capital markets
- Long-term corporate boards: analysis and self-evaluation tool
- Roadmaps for strategic engagement between corporations and long-term shareholders
- Tools to balance the short- and long-term in the capital allocation process
- Conversation guide for assets owners on addressing the distinct risks for long-term capital
- Tracking progress on indicators of long-term capital allocation behavior
- Lessons learned from stewardship efforts around the world

Topics of longer-term interest

- Investable long-term value creation index
- Long-term oriented sell-side research model
- Long duration executive compensation
- Long horizon asset owner governance



A MEASUREMENT OF LONG-TERMISM

Although it is hard to measure the job not created or the product not invented, we are seeking ways to track the global market's progress toward longer-term behaviors. We are compiling a series of metrics for asset owners, asset managers and companies to evaluate indicators of long-term behavior, and to:

- Measure whether long-term investing is gaining prevalence globally and across the value chain, isolate geographic trends and gauge the effects of specific descriptive criteria
- Communicate the current state of long-term investing to promote awareness, provide qualitative insights related to current trends
- Inspire change and adoption by isolating and highlighting desirable and actionable inputs for long-term investment behavior across the value chain



A GLOBAL MEMBER BASE

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

- **Total of 80-100 Members**
- **Even Member distribution across geographies:** Americas, Europe, Middle East, and Africa, Asia-Pacific
- **Even Member distribution across sectors:** Asset owners, asset managers, corporations



A THRIVING ORGANIZATION

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

**FOCUSING CAPITAL
ON THE LONG TERM**



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[in](#) [t](#) [f](#) [v](#)
@fcltglobal