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MAKING A DIFFERENCE, **MARKETING** A DIFFERENCE

How the asset management industry can create stronger, clearer ESG marketing content

In this report we have sought to provide a framework by which asset managers can better contribute to the complex ESG conversation in a more meaningful way, a way that better reflects the interests and needs of investors.

Anthony Payne
Chief Executive
Peregrine Communications

"For too many asset managers, the approach to responsible investment marketing is far more ambitious than responsible investment execution."

Foreword

There is still a long way to go to make finance more sustainable. Asset managers are now being challenged by asset owners and society at-large to take a leading role in this transformation.

There are clear opportunities for asset managers to move ahead, not only in developing new products and market-based solutions, but by advancing the conversation around issues like climate change in their respective fields. We all know that marketing rhetoric has not always matched underlying realities. That must change, now.

If there was one theme that stood out above all the rest in the ESG debate last year, it was "greenwashing". For too many asset managers, the approach to responsible investment marketing is far more ambitious than responsible investment execution. A number of high profile managers – including the world's largest – succumbed to damaging headlines that put a spotlight on the discrepancy between what they say about ESG and what they do.

I see several firms with a real commitment to long-term sustainability. I know many more CEOs who are genuinely concerned about the state of the planet. Some have multi-decade records of leading the market, both in terms of developing new solutions and leading investor education. There is much that the industry can learn from these initiatives, yet there remains so much more to do. I hope this report will help lay out a roadmap for asset managers of all shapes and sizes to more meaningfully contribute to a growing debate about how the financial system can better serve the kind of world we all seek to live in – safe, clean, and prosperous. The road before us is still ours to create.

Dr. Charles Donovan

Director of the Centre for Climate Finance and Investment,

Imperial College Business School

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MAKING A DIFFERENCE, MARKETING A DIFFERENCE

How the asset management industry can create stronger, clearer ESG marketing content

1. Introduction

Environmental, Social and Governance (ESG) investment defies simple characterization. The asset management industry has seen a proliferation of ESG terminology, nomenclature, taxonomies and frameworks making it difficult for institutional and retail audiences alike to make meaningful comparisons between different firms' values and approaches.

Although this opacity means that current estimates of investor flows into ESG products vary from study to study, one thing is clear: investor appetite is huge and continues to grow. The Global Sustainable Investment Alliance estimates that global sustainable assets currently stand at over $30 trillion, a sum greater than the annual GDP of the US or indeed the European Union.

Even more impressive is the growth trajectory of these inflows. Globally, sustainable assets doubled between 2012 and 2018. In Europe – long viewed as the leader in ESG investing – assets have grown from $8.8 trillion to $14.1 trillion. But, this is no longer just a European story. Sustainable assets in the US have tripled in this time, going from $3.7 trillion to $12 trillion. In Japan the growth has been 200-fold during this period.

Exhibit 1: **Growth in sustainable assets**

Source: Global Sustainable Investment Alliance, March 2019

But this remarkable growth story has not been an unmitigated blessing. The high pressure on asset management marketers to create content that will educate, inform and engage their audiences on these topics has led to a proliferation of content that has often come at the expense of clarity or real thought leadership. At its worst, it has led to claims from industry observers, not always unfounded, of "green washing".

In this report, we look to help marketers navigate these complex issues and have created a simple, repeatable methodology to uncover "White Space" topics where audiences' demand for information exceeds the supply of available content. Where these topics align with firms' core capabilities they represent **a powerful opportunity for creating brand differentiation and category authority.**

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> *"Research shows a significant gap between the content that investors are looking for and the content that managers are providing."*

2. Executive summary

Peregrine's research has shown that even in the last 12 months there has been a significant increase in the amount of ESG related content created by asset managers. This increase runs in parallel with the growth in organic appetite from investors for ESG related content. However, our research shows a significant gap between the content that investors are looking for and the content that managers are actually providing.

Key findings from this report include:

- There has been a 67% increase globally in **ESG related content** from asset managers across Tier 1 media in the last 12 months.
- Output in **specialist ESG and sustainability media outlets** has increased by 76%.
- Our research shows a 63% increase in **searches globally** for ESG related content in the last 12 months.
- We have also seen a 36% increase in **social media engagement** globally around ESG topics.
- The average increase in **brand awareness** for the select set of firms we have studied across the last five years is 80% (see page 27).
- For contextual **ESG-specific brand awareness** this increase is even more impressive, standing at just under 1000% on average for the firms assessed in this report.
- One third (34%) of the seventy topics assessed in this report are **"over-indexed"** by the market with more content provided on these themes than there is organic demand for content on these topics.
- The report shows that within the ESG conversation there is **significantly more demand** for content around the topics of measurement and materiality, supply chain transparency, active ownership and product-specific content than is currently being provided by the market.

3. Why asset managers need to rethink how they take part in the ESG conversation

The huge growth in supply and demand of ESG related content

The huge inflow of capital to ESG related products has led to a deluge of ESG marketing content. Our research shows that there has been a 67% increase globally in ESG related content from asset managers across Tier 1 media in 2019. Output in specialist ESG and sustainability media has increased by 76%. Clearly asset managers are feeling the pressure to have something to say on ESG.

In parallel, we have also observed a discernible increase in organic demand from asset managers' audiences for ESG related content. Importantly, we see this increase right across the "user journey" from search to social, although there are important nuances.

Our research shows a 63% increase in searches globally for ESG related content in 2019, showing not only that the demand for this content is growing as fast as the supply, but also – critically – that search plays an important role in investors' journey from consideration to investment. We have also seen a 36% increase in social media engagement globally around ESG topics.

Exhibit 2: **Growth in supply of ESG content in 2019 (%)**

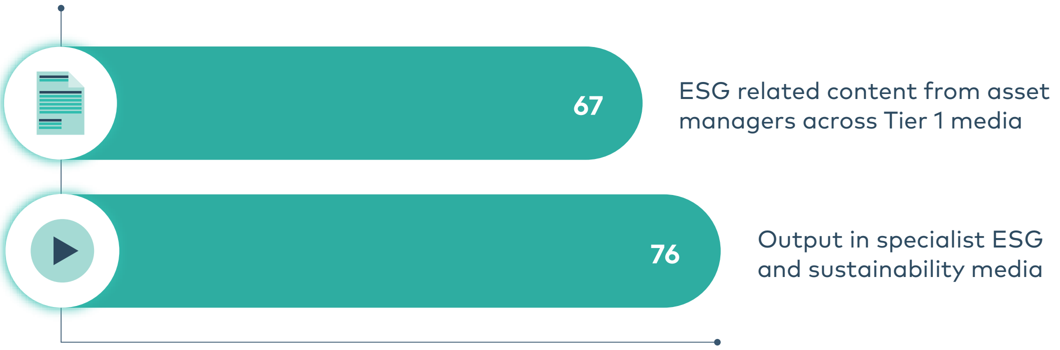
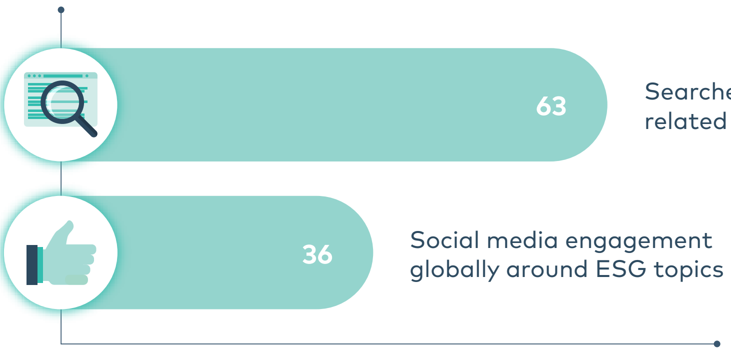


Exhibit 3: **Growth in demand of ESG content in 2019 (%)**



As we will illustrate in more detail later in this report, there is a real disconnect between the content that asset managers are putting out and the content that their audiences are looking for. While managers have increased the amount of content that they share, it is not always well matched to the interests of their audiences.

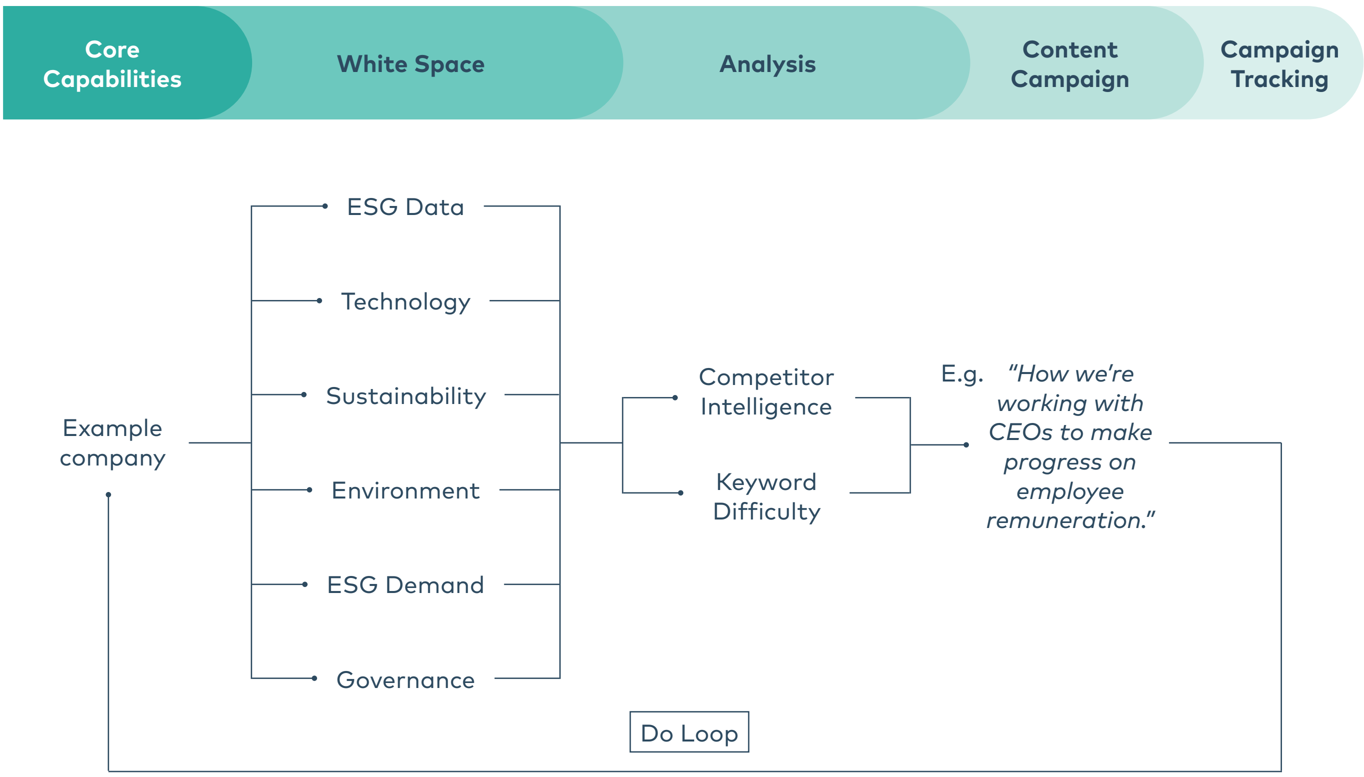
Our approach to finding "White Space"

One of the most frequent questions we hear in conversation with CMOs and communications leads at the world's largest asset management firms is: "how can we contribute in a more meaningful way to the ESG debate?". This question sits at the heart of the research in this report.

The challenges for asset management marketers are numerous. It is difficult to know which themes to build content calendars around. It is difficult to know which topics are already oversaturated and which offer real scope. In addition, many of these are fast-evolving themes where there is no clear consensus across the industry, in academia, or among end audiences.

To help marketers we have created a new framework to isolate which themes or topics represent White Space areas where there is demonstrable organic demand and room to build genuine category authority around these topics.

Exhibit 4: **From White Space to Content Campaign**



4. Finding "White Space" amidst the greenwash

> *"The most sophisticated asset managers who want to contribute to the ESG conversation will look to avoid over-indexed topics and seek to break new ground in less well trodden areas."*

Overview

The White Space Framework Peregrine has designed for this report aims to help marketers in three ways:

Show which themes within the ESG conversation are **over-indexed** – i.e. there is more content on these topics than there is organic audience demand.

Show which themes within the ESG conversation are **under-indexed** – i.e. there is less content on these topics than there is organic audience demand.

Allow marketers to **match** these themes against their own priorities and core ESG capabilities in order to ensure their content campaigns have maximum impact.

This White Space Framework has been designed to evolve over time, reflecting changes in the ESG landscape, being flexible enough that new topics and themes can be added to the framework as time progresses. It is also fractal in the sense that sub-themes with even greater granularity can be added to the framework to dig into even more specific topics. We hope the White Space Framework will allow marketers to build their thought leadership campaigns with more confidence.

Our research methodology is straightforward. In producing our research we analyzed more than seventy themes within the wider ESG conversation. These themes have been assessed in the context of how much content is already out there from asset managers in Tier 1 media and specialist ESG media outlets around the world. This provides visibility of what proportion of asset managers' media content is focused on each topic. This is then compared to the proportion of people searching for content on each topic and also with the proportion of people engaging with each topic across social media. Comparing the ESG conversation in terms of supply and demand means that we are able to pinpoint areas where there are big disparities between the content being provided by asset managers and the content desired by their target audiences.

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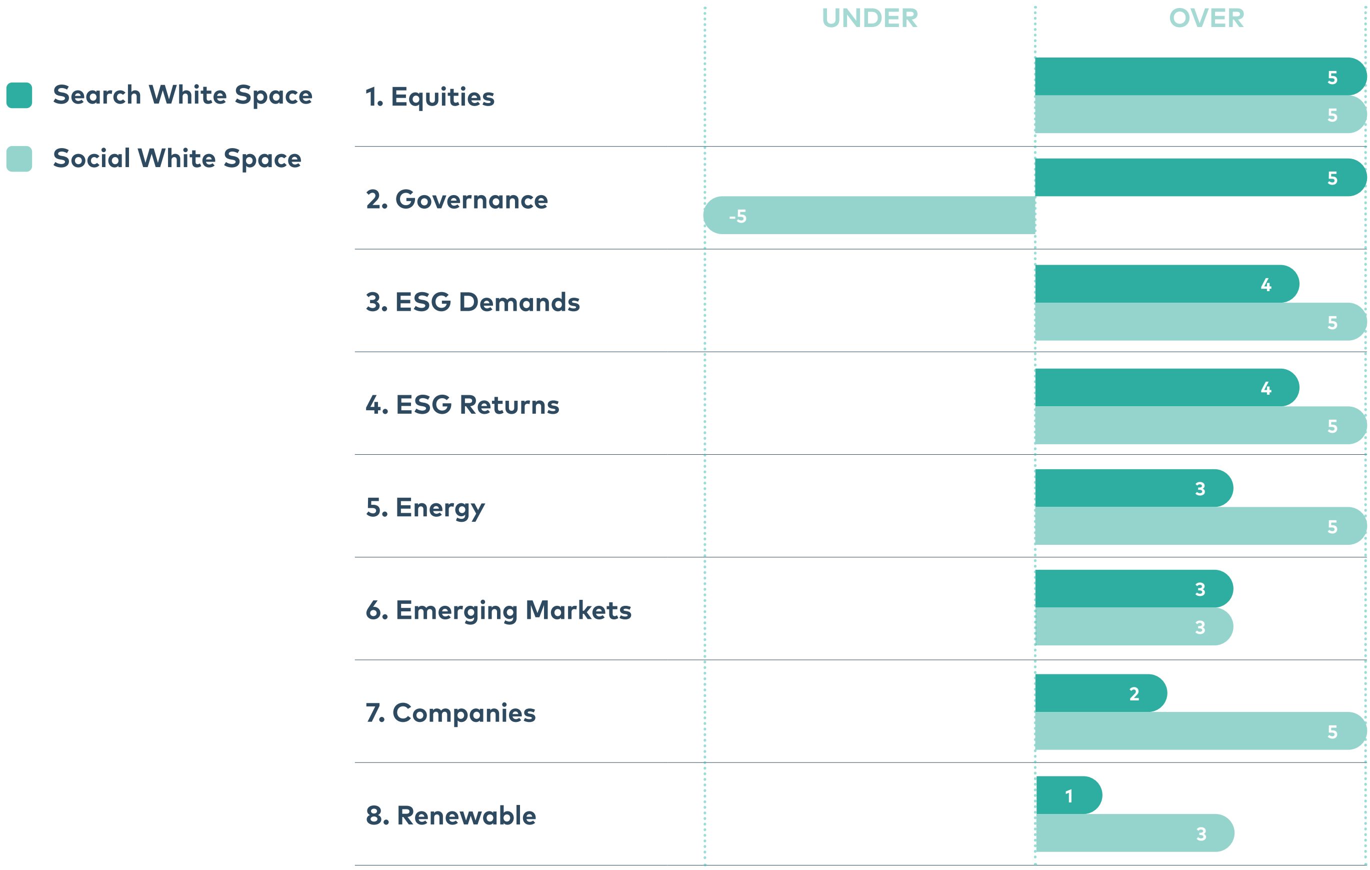
Where is the conversation most saturated?

The breakdown of the topics discussed in the media shows a large amount of ESG coverage coalescing around a handful of themes. Alongside the obvious themes like the environment, social issues and governance concerns, other over-indexed topics include performance, integration, equities and climate change. Overall, the results show that the content is heavily weighted towards generic material and that more specialist themes are under-represented relative to the organic interest in them from target audiences.

The most sophisticated asset managers who want to contribute to the ESG conversation will look to avoid over-indexed topics and seek to break new ground in less well trodden areas.

Exhibit 5: **Most over-indexed ESG themes**



> *There is still a lack of clarity for investors about what is actually "under the hood" when it comes to their ESG investments.*

Where is the White Space?

White Space shows where there is an opportunity for asset managers to really own the conversation. It represents a theme that marketers can build content campaigns around, with confidence that budget is being deployed behind campaigns that are of real interest to target audiences.

We analyzed more than seventy themes within our White Space Framework and each of these can be found broken out in **Section 5**. However, the analysis also uncovered several areas where a number of topics clustered together to form part of a wider trend. These are thematic areas that include several topics where the supply of content is much lower than the organic demand from audiences for it. Four of these wider trends are outlined here.

Materiality and measurement

Perhaps unsurprisingly, one of the consistent areas where there is a mismatch between the content available in the market, and the demand from investor audiences, is centered around how ESG principles are applied in practice to their investments. Looked at through the lens of search volumes or from social media engagement, time and again we see a series of themes around measurement where there are real pockets of White Space. These themes include measurement, materiality, data, ratings, ESG scores and the principles that underpin ESG investment approaches.

The fact that so many different facets of this wider topic represent White Space is significant for three reasons:

Firstly, it underlines the importance of being able to outline **concrete proof points** for the ESG processes and how they are integrated into their approach.

Secondly, it underlines that there is still a **lack of clarity for investors** about what is actually "under the hood" when it comes to their ESG investments. This ambiguity is certainly not helped by the extreme profusion of different approaches, frameworks and standards used by different firms and this has no doubt contributed to investor skepticism.

Thirdly, this situation means that those firms who take a lead on these topics (and those that already are) have a fantastic opportunity to really **own these conversations.**

INSIGHT

Measurement and materiality

Nearly all the firms assessed in this report mention the importance of ESG analysis in driving stronger long term results, reducing risk and improving returns in their corporate descriptors.

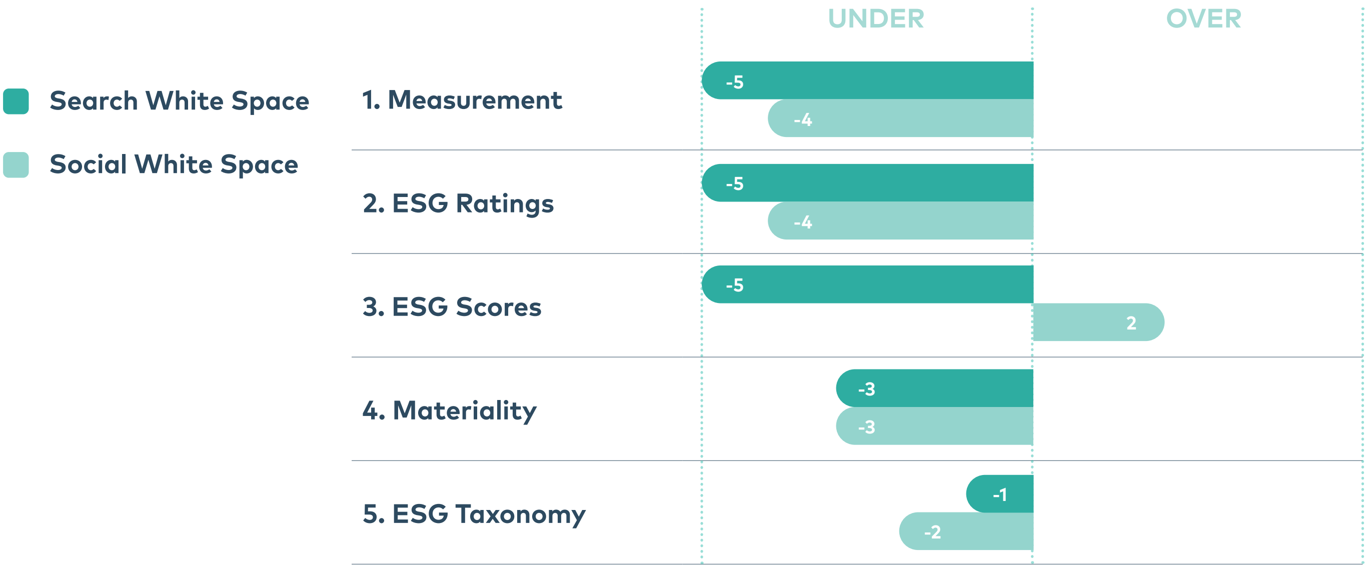
For Generation Investment Management, "the impact on society is the key driver of value creation". Measurement and materiality sit at the heart of this conversation. Effective materiality frameworks mean that ESG investment can get much closer to identifying and quantifying the impact of ESG risk factors for specific businesses.

Materiality is the idea that not all ESG factors matter equally to all firms. For example, higher taxes on fossil fuels would have a much greater impact on margins for an international airline than it would for Microsoft.

There are a number of key elements to the conversation around materiality and measurement and it is important that asset managers consider how they can contribute to these debates. Firstly, it's important that managers communicate clearly to the companies in which they invest how they can properly meet the desired reporting standards as well as highlighting areas for improvement. Secondly, there is still more work to be done in explaining to investors how materiality is built into the investment process. This is especially important as many firms have their own approach to materiality in addition to, or building on, industry frameworks, like that developed by the Sustainability Accounting Standards Board (SASB). The profusion of approaches creates more confusion than clarity with investors. Consequently, this is an area where firms need to ensure they have communicated their approaches and their edge clearly.

A long form piece in Institutional Investor authored by Harvard Business School luminaries Michael Porter, George Serafeim and Mark Kramer in Q4 2019, argued that for ESG to move to the next level, it needs to do a much better job of articulating how socially responsible investment delivers shareholder value. "Investor communications must also include an explanation of how major societal trends are affecting industry structure and competition, and how a company's response will affect its future growth and profitability."

Exhibit 6: **Measurement and materiality: White Space**



> *The ability to provide clear communication about what ESG really means in the context of the firm's investment approach is a key differentiator for those firms able to do so.*

Data transparency, technology and supply chains

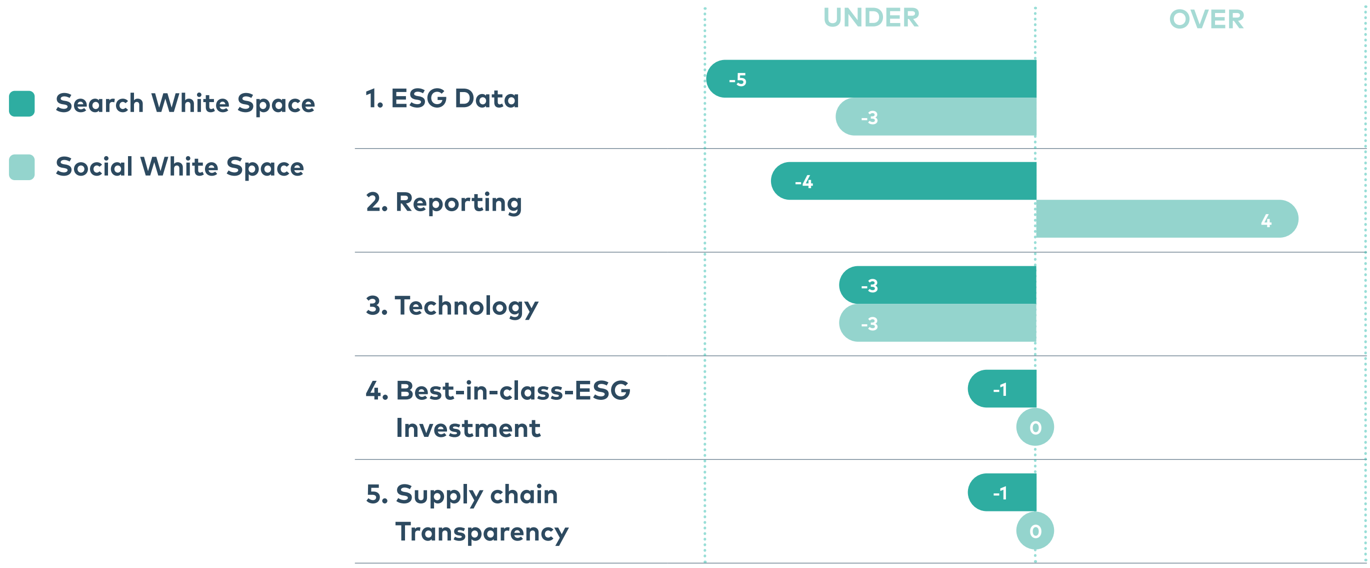
Another recurring theme in our White Space analysis is the importance of stronger end-to-end reporting and data transparency. Supply chains, too, are one area where there is strong demand for more content from asset managers. As with materiality and with measurement, this theme is linked to increasing scrutiny by investors of the authenticity of their ESG investments.

Transparency is a critical point. Ultimately reporting is only as good as the transparency underlying it. A consistent theme across all of the White Space analysis in this study is the growing desire among investors for clarity and concreteness in the makeup of their investments. Where data can provide concreteness, transparency brings clarity. Nowhere is this more important than in the way in which asset managers connect the stated principles of their ESG offerings with the strategy underpinning the approach. Our research supports this, spotlighting clear White Space around the themes of reporting transparency, supply chain transparency and ESG principles. The ability to provide clear communication about what ESG really means in the context of the firm's investment approach is a key differentiator for those able to do so.

A recent Survey from ratings agency Moody's showed that a lack of data was the number one barrier for investors looking to integrate ESG into measures of credit risk. The continued and growing scrutiny from investors of these issues also highlights the potential risks as well as the opportunities. Where White Space represents increasing audience interest, it also means that there will be increased scrutiny. In short, those firms which ignore the demand for transparency or which fail to match behaviour to rhetoric can expect to be punished in the public forum.

Third party data providers and ratings agencies are gradually helping to improve ESG reporting consistency among asset managers. In 2019, ratings agency Moody's bought a majority stake in Vigeo Eiris, a Paris-based environmental ratings provider. In 2016 S&P Global bought Trucost, a carbon and environmental data specialist. In 2018, Institutional Shareholder Services, a proxy adviser, acquired Oekom Research, a German environmental, social and governance rating provider. While these developments are positive, it is critical that asset managers continue to take a more proactive role, not just in providing accurate disclosures about their own portfolios, but also by bringing their thought leadership and engagement to bear on company management teams.

Exhibit 7: **Data transparency: White Space**



INSIGHT

Supply chain transparency

As investors demand for ever greater data transparency from ESG managers increases, whole industries and faculties are growing in lockstep to meet this need. Supply chain transparency is one area where greater reporting clarity is needed.

An area of White Space identified in this study is that supply chains in a globalized world are notoriously complex and notoriously difficult to scrutinize. The more complex a business's supply chain, the more difficult it is to assess the firm's real world impact on the environment, pollution, employee welfare or governance standards.

This is where technology has started to provide real value to ESG investors. Consider the use of blockchain to create end-to-end traceability for tuna – all the way from sea to table – to the use of drones and satellite data to assess the impact of cattle grazing on deforestation. Technology is producing novel data sources that can help managers have far greater transparency of risks further down the supply chain than ever before.

Importantly, the implementation of novel solutions, using technology to provide more data and better transparency will also create opportunities for asset managers to communicate these, often compelling, stories to investors. Alternatives managers have long used alternative sources of data as a differentiator and a source of edge, and now the world of responsible investment has a similar opportunity.

“*Supply chain transparency is one area where greater reporting clarity is needed.*”

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> *"There is high demand for content associated with active ownership, proxy voting and shareholder activism in the context of ESG."*

Active ownership: *"Ethical Alpha"*

While investment in general has become more passive in the last decade, ethical investment has gone in the opposite direction with an increasing emphasis on shareholder activism to deliver change. This trend is observed too in the implicit preferences revealed by investors through their search behaviour and social media engagement. There is much higher demand for content associated with active ownership, proxy voting and shareholder activism in the context of ESG than there is currently media content being supplied by asset managers.

Looking at active ownership there is a real White Space opportunity for those firms whose strategies and approaches allow them to talk about these topics with authority. Robeco, among others, already performs very strongly in terms of its association with the active ownership conversation. This is also reflected in the extent to which it is able to own online search engine real estate relating to active ownership, **dominating search results** – both in Europe and the US – for these topics.

However, this is a broad topic and the range of sub-themes available offers client education opportunities for firms that can authentically address these topics.

Exhibit 8: **Active ownership: White Space**

“

Clearly, there is a real appetite from investors for content pertaining to how active ownership approaches can create value for ESG investments.

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INSIGHT

Active ownership

Active ownership is a key topic highlighted by the White Space analysis in this report and is a real opportunity for those asset managers whose own behaviours allow them to contribute authentically on this theme.

Active ownership means leveraging the asset manager's rights as a shareholder to influence and nudge a portfolio company in a new direction. There are two primary levers by which companies can be influenced, firstly, via shareholder voting and, secondly, via engagement and communication. Active ownership and tactical shareholder voting can be extremely effective in creating improvements in corporate governance and profitability. The engagement process is an opportunity to raise concerns about a firm's environmental, social or corporate governance, helping to build a long term relationship based on trust. Although there is not yet a huge amount of academic research on this topic in the context of ESG investing, 'Active Ownership' (2013), Dimson, Karakaş and Li showed that successful engagements by asset managers with US public equities during the period 1999-2009 were able to generate an abnormal return of +4.4% during the year after engagement. Clearly, there is a real appetite from investors for content pertaining to how active ownership approaches can create value for ESG investments.

From a marketing communications standpoint there is also a risk inherent in an asset manager promoting itself as a leader in active ownership unless these claims are able to be justified. In December 2019, activist hedge fund TCI's manager, Sir Chris Hohn, in a letter seen by the Financial Times, called out BlackRock for greenwashing and criticised its "appalling" record on climate change resolutions. Re-emphasising the importance of transparency, the same letter claimed that "Investing in a company that doesn't disclose its pollution is like investing in a company that doesn't disclose its balance sheet".

As 2020 progresses, we expect investor appetite for active ownership-related content only to increase.

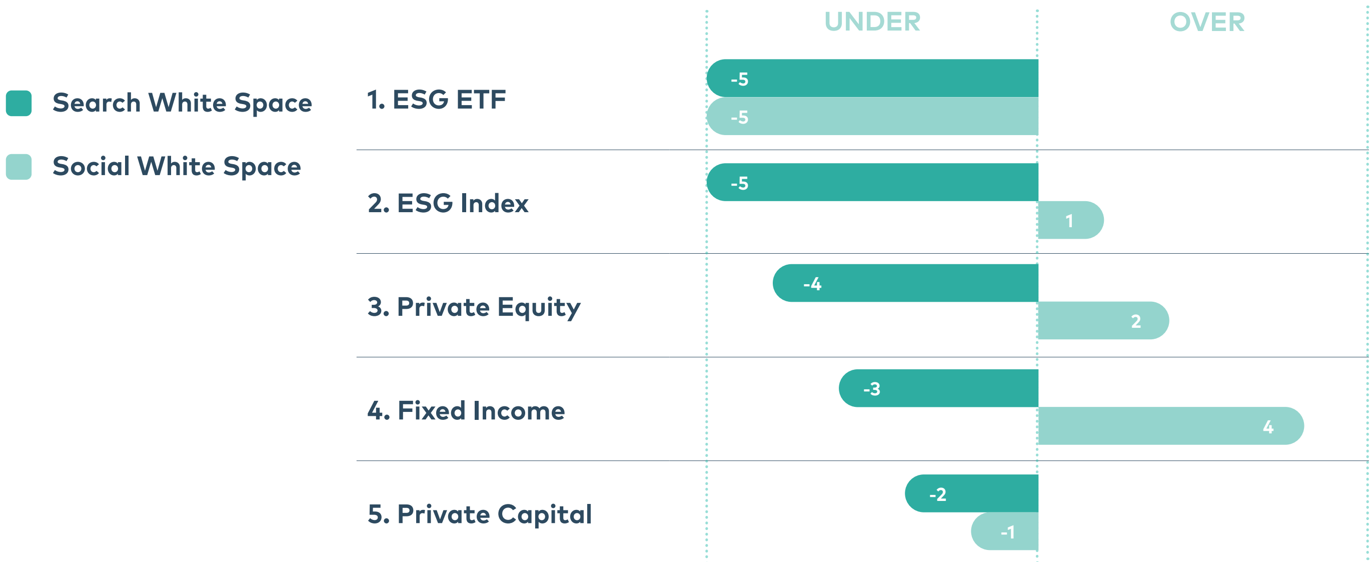
Product-specific content

Our White Space research for this report also demonstrates that as investors become more engaged and educated on the subject of responsible investment their content consumption around ESG topics is becoming more focused on specific types of solutions.

To this end, we have seen a marked **increase in audience appetite** for content around fixed income ESG products, ESG ETFs, ESG private markets and private equity products and index products. There has also been an increased interest in ESG ratings for specific companies, suggesting that investors are really starting to probe beneath the surface of their investments. This area of White Space represents a swathe of themes where there is room for asset managers to start building thought leadership authority.

As the variety of strategies and vehicles for providing investors with access to the responsible investment solutions they desire increases, so will new areas of White Space.

Exhibit 9: **Product-specific content: White Space**



INSIGHT

Private markets and ESG

“Private markets are critical to the conversation surrounding ESG and impact investment as they offer firms new ways to deliver.”

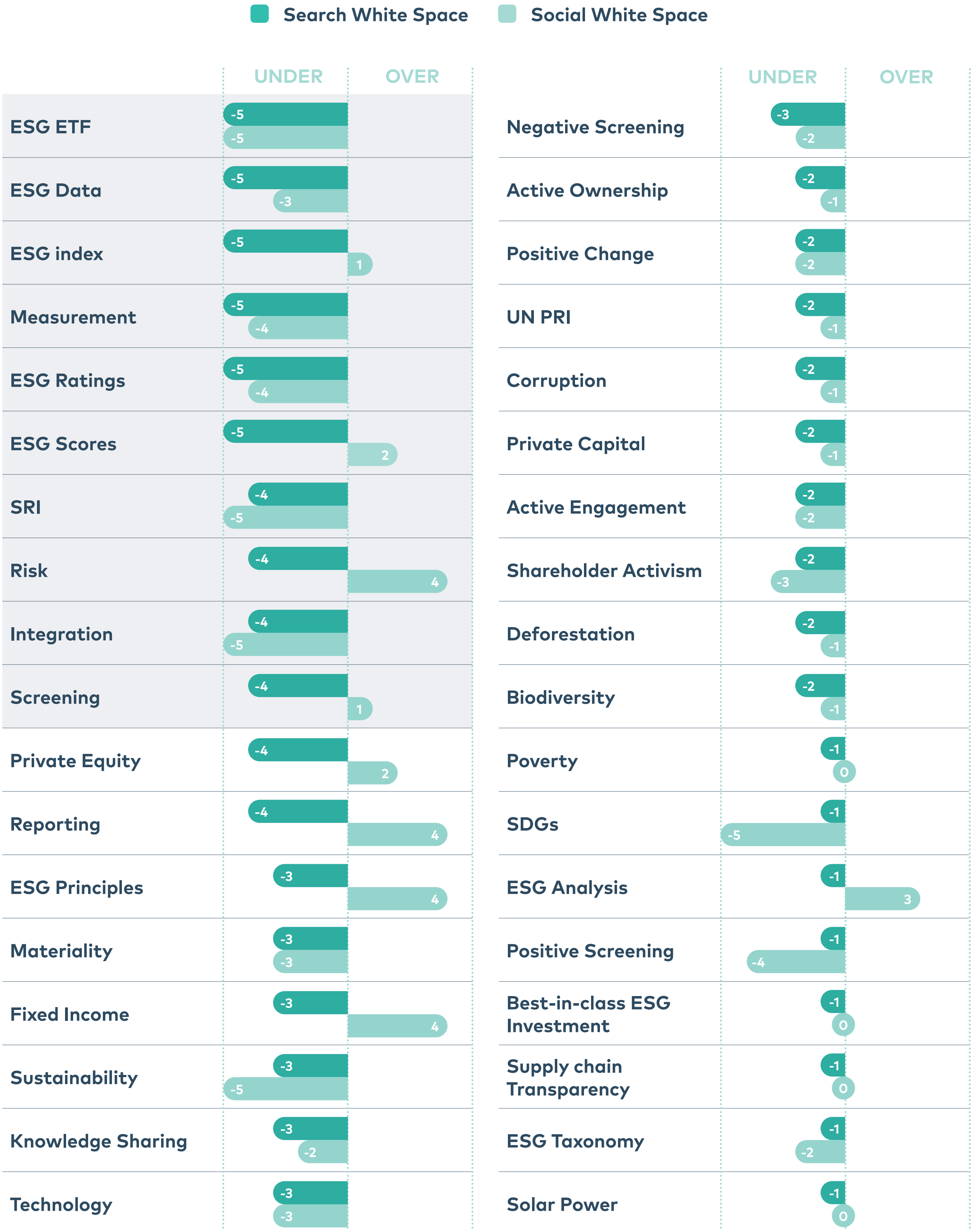
2020 looks to be the year when ESG takes on private markets and Peregrine’s research suggests that this is a major area of White Space to be owned by asset management marketers.

Both KKR and TPG, who manage around $330bn in assets between them, have pledged to reveal the positive social and environmental impact of their investments by April. This follows both firms signing up to the principles set by the World Bank’s International Finance Corporation, which entails annual reporting on these standards and independent verification of the results. KKR’s impact fund has already raised $1.1bn and TPG’s two impact funds have more than $4bn between them. Private equity in concert with impact investment is also integral to BlueOrchard Finance, purchased as a strategic acquisition by Schroders in 2019.

Private markets are critical to the conversation surrounding ESG and impact investment as they offer firms new ways to deliver value for investors. However, there is still a long way to go in terms of standardizing reporting and best practices to ensure consistency and quality of ESG reporting across the industry, and this applies to both LPs, GPs and portfolio companies. Again, for asset managers with private markets capabilities and the desire to lead on ESG, it will be critical to create more clarity for end-investors. This means stronger educational and thought leadership content alongside a more proactive communications strategy to make sure all participants are properly engaged.

5. "White Space" data

Exhibit 10: **White Space**




UNDER
OVER
Proxy Voting -1 -2
Activism -1 -3
Plastic -1 -1
Climate Risk -1 -4
Low Carbon 0 0
Waste 0 1
Alpha 0 1
Performance 0 4
Thematic Investment 0 1
Green Bonds 0 0
Wind Power 0 1
Stewardship 1 -3
Human Rights 1 2
Fossil Fuels 1 1
Renewable 1 3
Diversity 1 -4
Water Security 2 3
Innovation 2 -1
UNDER
OVER
Engagement 2 -1
Companies 2 2
Responsible Investment 2 -4
Climate Change 3 3
Full Integration 3 3
Energy 3 5
Transparency 3 3
Employees 3 4
Emerging Markets 3 3
Environment 4 3
Pollution 4 5
ESG Returns 4 5
ESG Demand 4 5
Impact 4 -5
Societal Benefits 5 -4
Equities 5 5
Governance 5 -5

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> “*White Space topics tend to be associated with lower keyword difficulty.*”

6. Creating category authority

Because “White Space” represents a mismatch between the content being provided by asset managers and the content in demand from investors, it should be no surprise that the areas of White Space we point to in this research also represent unclaimed digital real estate.

Because there is currently a lower amount of content on these subjects, White Space topics tend to be associated with lower keyword difficulty – i.e. the ease with which content can rank for and own relevant keywords.

Asset managers that are able to build targeted content around the White Space that their target audiences are interested in will benefit from competition.

Exhibit 11: **White Space average keyword difficulty (%)**

> *"Robeco consistently outperforms in Peregrine's annual asset management marketing rankings."*

INSIGHT

How Robeco creates category authority

Robeco is a pioneer in more ways than one, and consistently outperforms in Peregrine's annual asset management marketing rankings. These results are driven by its approach to content and ability to consistently deliver genuine thought leadership.

Its success is intimately connected to its multi-decade leadership on ESG topics and the brand continues to bring both clarity and concreteness to often complex conversations. The content-led approach means that Robeco outperforms both in terms of its brand awareness and share of voice, but also in terms of the digital real estate it is able to own, punching far above its weight. Few, if any, firms have been able to dominate so many ESG related keyword search terms. From the general – as in "ESG" to the specific – as in "active ownership" – Robeco is consistently among the highest, if not the outright highest, ranked firms.

There are three key ingredients to Robeco's success in building category authority around ESG topics:

Authenticity

Robeco launched its first sustainable fund in 1999, more than twenty years ahead of this report. The firm has been a signatory of the UN Principles for Responsible Investment (PRI) since 2006. It is always easier to be a thought leader when first you have been an industry leader. But Robeco's authenticity is down to far more than simply tenure and longevity. The firm submits itself to PRI assessment, receiving A+ scores, and since 2017 has even conducted an internal assessment of its own PRI scores to ensure maximum transparency.

Genuine Leadership

When it comes to content, Robeco leads from the front. By the second week of January, Robeco had already announced the five themes that it would be prioritizing in 2020. These themes include biodiversity loss, mining safety, governance in emerging markets, decarbonisation and fair remuneration. These are the areas where Robeco will set out its stall in 2020 and it will be surprising if they do not also dominate the search rankings for these topics.

Content-led approach

Because the firm is so clear about which topics it wants to own – even providing the media with "forward guidance" on the topics it will focus on each year – it means that it is able to be very integrated in the way that this content is created and distributed across each channel. Robeco even has a glossary of sustainable investment terms which performs the dual function of providing much needed clarity for investors while also ensuring that the brand ranks well for the associated search terms.

7. ESG presence: battle of the brands

"Firms which have already succeeded in associating their brands with ESG have enjoyed a significant "ESG brand dividend"."

ESG brand dividend

For this study we have assessed the impact of 16 asset management firms' ESG marketing activity on their wider brand awareness over the last five years. Notably for the firms we look at here – all of which are well known for their ESG offerings – we see strong increases in general brand awareness as well as within the ESG context.

The average increase in brand awareness for the firms we studied across the last five years is 80%. For contextual ESG-specific brand awareness this increase is even more impressive, at just under 1000% on average. These results are particularly strong given that across the wider asset management industry, Peregrine's Global 100 report showed that almost two thirds (61%) saw either static or indeed declining brand awareness in 2019.

As the report shows, there has been strong growth in investor demand for ESG-related content. These results show that those firms which have already succeeded in associating their brands with ESG have enjoyed a significant "ESG brand dividend".

Media Share of Voice

Although most of the firms we assessed benefit from an ESG brand dividend, not all of them have translated this equally into ownership of the ESG conversation in the media. To see which firms currently **dominate the ESG conversation** in the media we have assessed 16 firms, of varying sizes, capabilities and specialisations, and all selected for the size of their ESG related to AUM and recent inflows into ESG related funds. What this showed is that some firms are better able to command the ESG conversation in Tier 1 media titles than others. Furthermore there are a number of firms that consistently outperform their size when it comes to generating Tier 1 ESG media coverage. Schroders makes up a much larger proportion of the ESG share of voice than their AUM would suggest – 10.3% of all Tier 1 ESG coverage for the group, while only 2.46% of the overall group's AUM. Robeco also made up a large portion of the debate relative to its size – 5.2% of all Tier 1 ESG coverage, 0.66% of total group AUM. Conversely, LGIM arguably underperforms, owning less of the media conversation than its size might imply – 1.64% of Tier 1 ESG coverage with 7.46% of total group AUM. Fidelity also represented a smaller portion of ESG Share of Voice than their AUM would suggest – 8.55% of Tier 1 ESG coverage with 13.7% of total group AUM.

Furthermore these patterns extend beyond the mainstream Tier 1 media and into the specialist media. There was a very strong correlation between the firms which perform best in generating Tier 1 ESG media content and those which dominate the more specialist responsible investing media coverage as well as social media engagement around ESG topics (see appendices).

Exhibit 12: **ESG Media Outperformance Chart (%)**

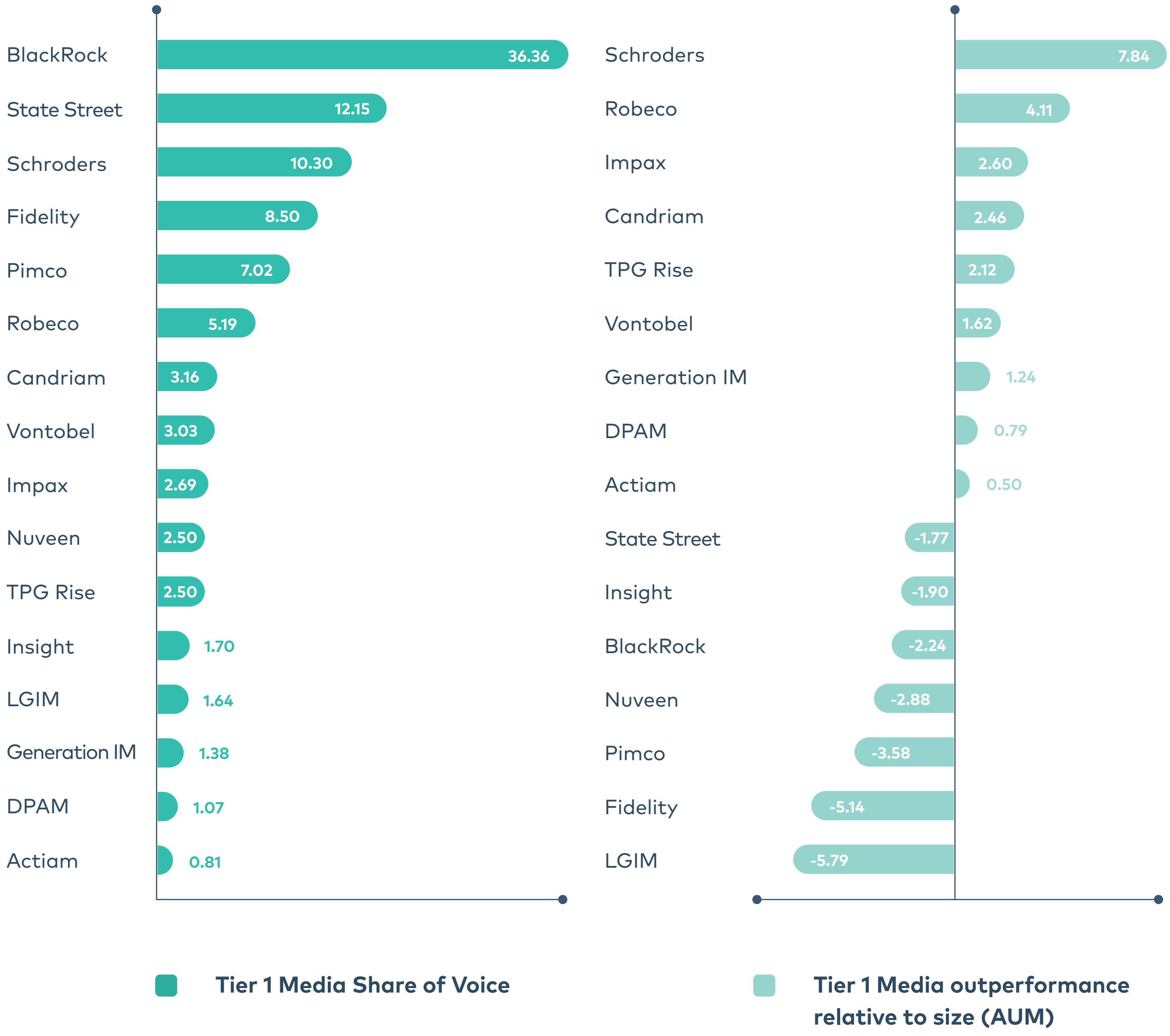

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Exhibit 13: **ESG Messaging Matrix**

	Heritage	Pioneers	Unique Processes / Expertise	Driving Positive Change	Better Social Outcomes	Lower Risk	Better Returns	Building the Future / Growth Opportunity	Research Capabilities	Depth of Product Range	Level of Integration
Pimco		●		●		●					
BlackRock					●		●	●			
State Street						●	●				
Schroders			●		●		●			●	●
Robeco	●	●	●				●				●
Nuveen	●	●			●		●				
LGIM						●	●				●
Insight		●	●				●		●		
Fidelity				●	●						
Impax	●	●	●							●	●
TPG Rise					●		●	●			
Generation IM	●					●	●		●		
Actiam					●	●		●		●	
Vontobel						●	●			●	
Candriam	●	●	●							●	
DPAM		●				●			●		●
Crossover (%)	**31.25**	**37.5**	**31.25**	**12.5**	**37.5**	**43.75**	**62.5**	**18.75**	**18.75**	**31.25**	**31.25**

> *“There will be concrete opportunities to build category ownership around topics that reflect each firm’s core capabilities.”*

8. Conclusion

In this report we have sought to provide a framework by which asset managers can better contribute to the complex ESG conversation in a more meaningful way, a way that better reflects the interests and needs of investors.

At the heart of this research sits our ESG “White Space” analysis which analyzes more than seventy themes within the wider ESG conversation, seeking to spot areas where there are dislocations between the content that is currently provided by the industry and the content that investor audiences are looking for and engaging with.

This framework has been designed to be a living framework in the sense that while it could never be exhaustive it has the ability to evolve as the ESG conversation evolves. What it does provide is a robust, repeatable framework. From this, managers can seek to gain a more data-driven understanding of which themes are most likely to resonate best with their target audiences as well as spotlighting themes that are easier to own.

For managers with the will to build an integrated campaign-based approach to their marketing communications there will be **concrete opportunities to build real category ownership** around topics that reflect the firm’s core capabilities. It should also aid managers by highlighting those areas – like active ownership – where there is likely to be increased scrutiny of asset managers’ behaviour.

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9. Appendices

“Although data underpinning this report is naturally focused on ESG investment, the same approach can be applied to any debate in which asset managers engage.”

Methodology: “White Space”

Peregrine has developed a simple, repeatable framework to spotlight areas where the supply of thematic content created by asset managers is mismatched to the organic demand of their audiences. Although data underpinning this report is naturally focused on ESG investment, the same approach can be applied to any debate in which asset managers engage. It is also fractal, in the sense that the same approach could be used to drill down in more granular detail within themes or regions. The data analyzed in this report is viewed through a global lens, but the same approach can be applied to finding White Space in specific regions.

The White Space analysis compares the proportion of asset manager content disseminated in Tier 1 media for each theme and compares it to the proportion of organic interest in that theme as illustrated by the volume of Google search and the level of social media engagement. These two indicators of organic audience demand are valuable in different ways as they represent two different stages in the “investor journey”. While the social data provides insight into audience’s revealed preferences with regard to the content already extant, search data provides insight into the topics about which investors are actively seeking to find more information. It may also illuminate themes that have been missed or ignored by asset managers altogether.

The White Space analysis presented here does not pretend to be exhaustive or indeed final. It is first and foremost a framework that can evolve and be augmented over time as the ESG conversation continues.

Our White Space scoring system places each topic into bands, ranked from -5 to +5 showing the relative degree of under or over-indexing that each topic currently receives. Negative numbers represent White Space opportunities.

We will only be making our underlying banding data available to our clients. However, to provide an indication of the relative scale of the bands, a White Space score of -2 would mean that the topic in question enjoyed 35% more organic interest than Tier 1 media coverage.

Exhibit 14: **Tier 1 Media Share of Voice vs Specialist Share of Voice appear correlated**

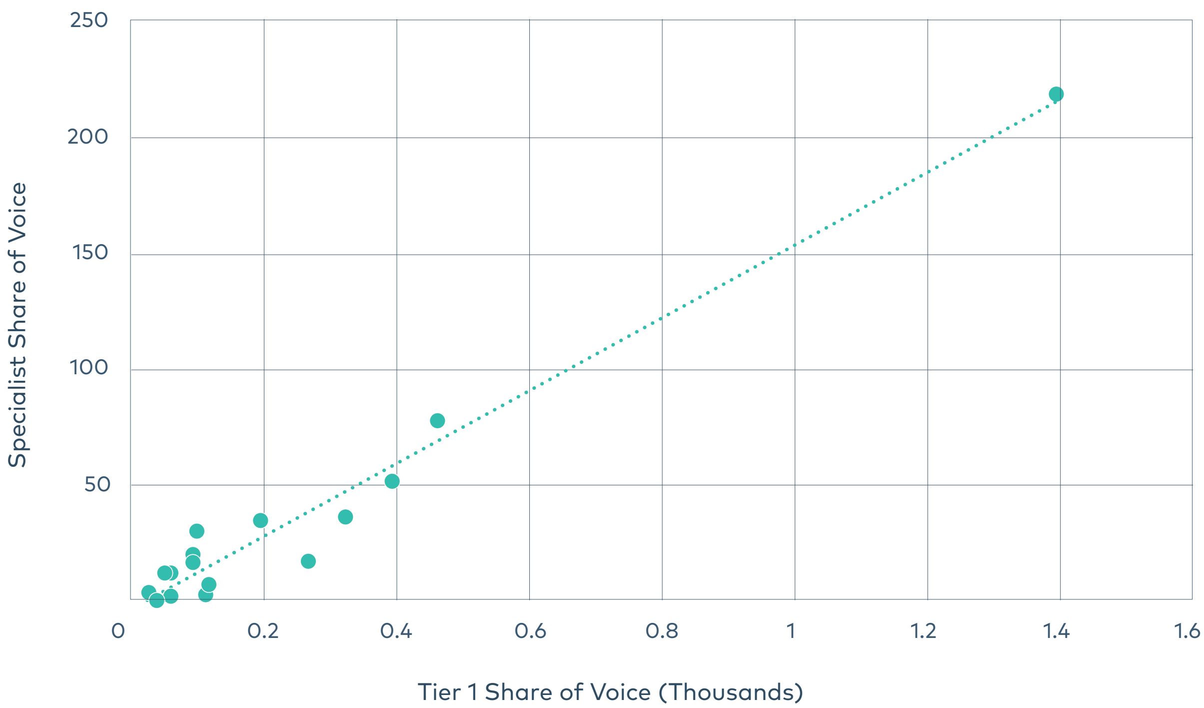
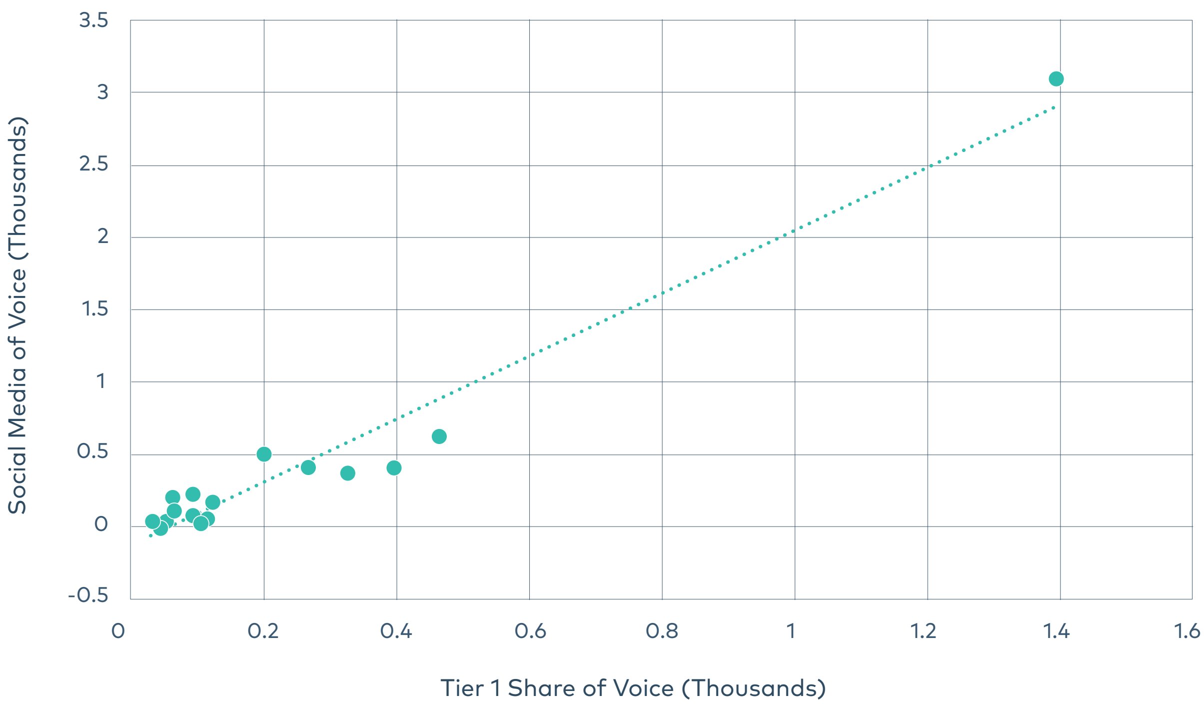


Exhibit 15: **Tier 1 Media Share of Voice vs Social Media Share of Voice appear correlated**



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