

INSTITUTIONAL TRUST 2018

The Edelman Trust Special Report: Institutional Investors

Issues, concerns and broader sentiment driving investment decisions – based on a global survey of 500 investment professionals, including 100 participants in the UK

2018 marks the second year of the survey

For more information contact:

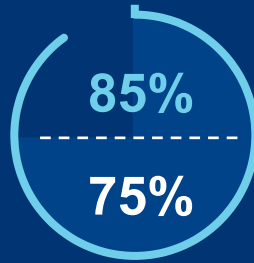
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Companies need to connect strategy with purpose



of UK investors believe long term value hinges on both financial and ESG features

of UK investors are changing voting & engagement policy to be more attentive to ESG risks

Activism 85%



of UK investors would support a reputable activist investor if they believe change is necessary at a company

75% of UK investment firms would consider taking a more activist approach when it comes to their firms investing strategy



82% of investors said that UK companies are not prepared to deal with an activist campaign

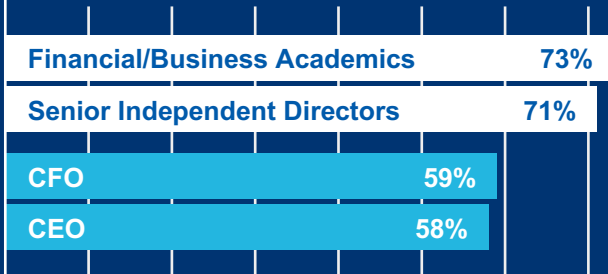


Trust

93% of UK investors say their trust in a company is the most important factor to inform investment decisions

Bosses don't control the story

Investors value independent information sources more than management when forming their opinion of a business – 71% of investors find non-executive directors more credible to help form their opinion, only 58% have faith in CEOs



MiFID II is altering traditional market relationships

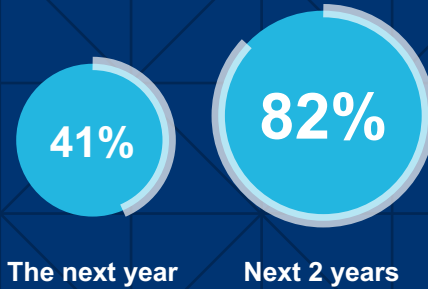
Only 44% of UK investors would rely on information from a sell side analyst when forming an opinion

72% of UK investors say that the sell-side has become less important as an intermediary for access to management

69% of UK investors have increased the number of in-house analysts producing research

The bull run is nearing an end...

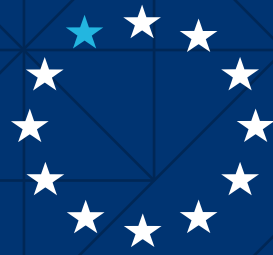
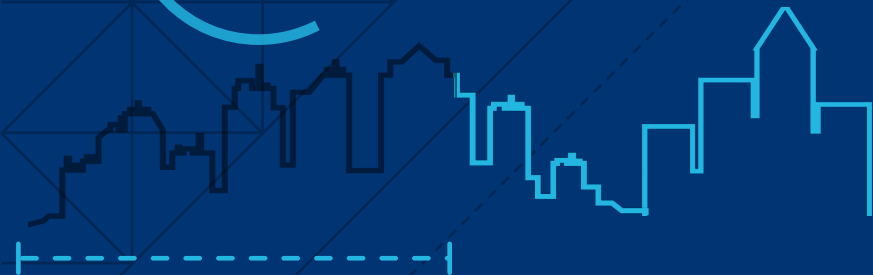
UK investors believe the bull market will come to an end within:



...but not quite yet

55%

of UK investors are optimistic about the investment environment in the next 12 months



Politics is influencing investment

79% of UK investors believe that political risk in the UK has impacted investment decisions over the last 12 months

82% of UK investors believe Brexit has impacted investment decisions over the last 12 months

86% of UK investors believe these risks will continue to impact investment decisions for the next 12 months



The digital generation is now in charge

74% of UK investors consult a company's social media channel, or those of its executives when evaluating an investment

73% of UK investors regularly read and follow information published on a company's owned channels (social media, website, corporate blogs etc..)