

Peregrine®

THE
ESG
REPORT

2021

How the world's most impactful ESG asset
managers communicate their contribution
to a more sustainable future

A year on from our inaugural ESG report, we have seen record inflows into ESG products and solutions and a record increase in organic real-world interest in responsible investment.

However, many of the same challenges remain. Far too little of the ESG-related content created by asset managers adds meaningfully to the conversation and far too often it seems that managers are content to chase a snappy headline rather than effecting real world change. With that said, as we outline in this report, we continue to see some very positive signs, not

least the dramatic increase in interest from end-audiences and their increasing focus on the authenticity of their investments.

As with last year's 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 interest and needs of investors. We also want to highlight the asset managers that continue to lead in this field through authentic thought leadership and best practice marketing and communications strategies.



Anthony Payne
Chief Executive,
Peregrine Communications

Foreword

Over the last 12 months, we have seen encouraging signs that the tide is truly turning with regards to making finance more sustainable.

We've observed a wave of commitments to reaching net-zero by 2050 across various industries, not least in asset management. Asset owners and civil society are applying unprecedented pressure for asset managers to be leaders in driving a green transformation.

While the rise in ESG-related products and market-based solutions is an important step for the industry, this is just the beginning for managers truly committed to affecting positive change. They must now continue advancing the conversation around specific issues, such as biodiversity and deforestation, where they have the expertise. Thought leadership must seek to genuinely educate investors, policymakers, and other stakeholders.

Much of asset management marketing today fails to match scientific reality. Years of progress in changing attitudes about sustainable finance will be undone if obvious greenwashing continues to rear its ugly head among some high-profile managers. Damaging headlines shine a spotlight

on the discrepancy between rhetoric and reality. An entire industry can't change overnight, but that journey is made more difficult by some players who seem to be willfully ignoring the huge gaps between what they say and what they do on ESG.

I see many firms today genuinely striving towards long-term sustainability, some are highlighted in this report. The best in class are committed to experimenting and putting real resources into new product development and investor education. One sure hallmark of the best in class is that they'll all tell you the same thing: we're not there yet. There is a lot to be learnt from the wise humility of those who know there remains so much more to do.

I hope this report will help steer the industry towards topics and themes in the wider ESG conversation that truly matter to the future of the industry. Asset managers have a crucial role to make to the growing debate about how the financial system can better serve the kind of world we all seek to live in – safe, clean, and prosperous.

Charles W. Donovan

Professor of Practice,
Imperial College Business School
**Executive Director, Centre for Climate
Finance and Investment**
Imperial College Business School

Executive Summary

Key Findings

Growth in supply of ESG content rose by

149.6%

across Tier 1 media in the past 12 months, with growth in demand of ESG content rising 141.5% correspondingly

Only one of the highest-ranking asset managers according to Share Action made the top five (Robeco)

100%

of the top five firms, as ranked by the effectiveness of their communications, grew their contextual ESG Brand Awareness significantly in 2020 versus only 20% of the bottom five

A new best practice for ESG marketing and communications emerged, with managers that focused the majority of their efforts on no more than five themes scoring more highly and being more likely to secure category authority

Amundi Asset Management topped this year's rankings, closely followed by Robeco and DWS Group

Aviva Investors and NN Investment Partners make up the rest of the top five

49%

of the 84 themes assessed in this year's report are "over-indexed" by the market with more content provided on these themes than there is organic demand for content on these topics

European firms dominate the inaugural ESG ranking, with only

4

North American asset managers in the top 25

Significant White Space clusters for 2021 include: Tangible Action on Reaching Net Zero, Environmental Factors and Active Engagement



Global inflows up to nearly

\$2tr

in Q1 of 2021, rising 19%

Europe accounted for over

79%

of these flows, with US accounting for 11.6%

Index funds

\$44.5bn

up from \$40bn in Europe

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1. Introduction

Introduction

If there were any fears about Environmental, Social and Governance (ESG) investing simply being a phase, 2020 put those doubts to bed.

In a year where the world grappled with a global health crisis, there were understandably concerns that non-financial considerations would be put to one side to ensure a speedy recovery. But the opposite was true, as 'Build Back Better' became synonymous with investors demanding a greener recovery, using COVID-19 as a catalyst for genuine change.

By the end of 2020 inflows into ESG soared, with European assets surging **52%** to hit €1.1 trillion, flows that almost double that of 2019, according to data from Morningstar. As we highlighted in last year's report, this is no longer a European only focus. The US saw sustainable funds attract a record \$51.1 billion in net flows in 2020, more than double the previous record set in 2019 and accounting for nearly a quarter of overall flows into funds in the country. This movement shows no signs of slowing down either. By the end of Q1, 2021, global inflows had almost reached the \$2 trillion milestone, rising a staggering **19%**. Europe accounted for over **79%** of these flows, with the US making up **11.6%**.

From the asset managers themselves, the outmoded sentiment that ESG was simply a nice to have addition to your core offering was also dispelled. In March, Institutional Investor reported that all but one of the top 50 largest asset managers in the world (with \$60 trillion in combined assets) are signing up to sustainability codes, publishing ESG papers and voting policies, and paying for rating providers. Many are even starting to put their money where their mouth is.



From the asset managers themselves, the outmoded sentiment that ESG was simply a nice to have addition to your core offering was also dispelled.

In Q1 of this year, product development hit 169 new offerings, including an all-time high of 47 in countries outside of Europe and the United States. In Europe, the best sellers were climate-change themed funds, with a massive 505 new sustainable fund launches last year and the repurposing and rebranding of at least 253 conventional funds. This brought the universe to a total of 3,196. In the US, passive funds, ETFs and iShares dominated sustainable fund flows in 2020, indicating another powerful trend of the major players in the passive space looking to eat into the market share of active managers, more traditionally associated with ESG investing.

However, this seemingly unstoppable growth is not without its issues. For asset management marketers creating 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 any clarity or real thought leadership. At its worst, it has sometimes even led to claims of “greenwashing” which undermines the efforts of many in trying to move the industry away from short-term profit maximization.

In this report, we look to do two things:

1. Firstly, to help marketers navigate these complex issues using our “White Space” framework to understand where audiences’ demand for information exceeds the supply of available content.

2. Secondly, to help those marketers demonstrate how an effective communications strategy can better leverage their thought leadership using our Message Penetration Analysis (MPA).

Where topics align with firms’ core capabilities and being able to deliver those messages in a well-balanced strategic communications program, a manager has a crucial opportunity to create brand differentiation and category authority in a rapidly crowding space, while maintaining authenticity.

2. Why Managers need to rethink how they contribute to the ESG conversation



Record growth in supply and demand of ESG related content

The huge inflow of capital to ESG related products has understandably led to an outpour of ESG marketing content. In our latest research, we found that the **growth in supply of ESG content has risen by 149.6% across Tier 1 media in the past 12 months**. It is clear to see that more and more asset managers are under pressure to contribute to the ESG conversation.

On the demand side, we also observed a similarly impressive growth in organic demand from asset managers' audiences for ESG related content. Our research shows a **141.5% increase**, confirming our hypothesis that 2020 was so far the most important year for ESG investing since its inception.

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.

In our latest research, we found that the growth in supply of ESG content has risen by

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Our Approach to finding “White Space”

In our inaugural ESG report, we aimed to help CMOs and communication leads at the world’s largest asset management firms answer the question: “how can we contribute in a more meaningful way to the ESG debate?”

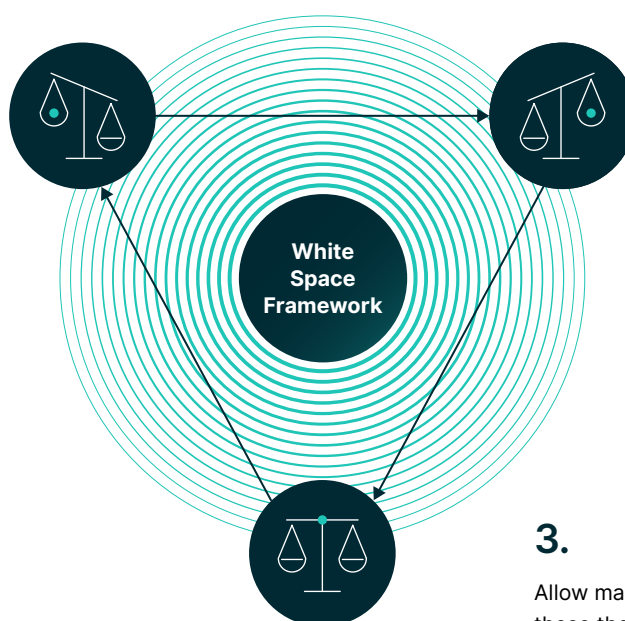
The challenges for asset management marketers are numerous. It is difficult to know which themes to build content calendars around or to know which topics are already oversaturated and which offer real scope. In addition, many of these are fast-evolving themes where there is no clear consensus across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

To help marketers we created a 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.

The White Space framework aims to help marketers in three ways:

1.

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.



2.

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.

3.

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

Message Penetration Analysis (MPA)

Thought leadership is one of the single most critical components in ensuring an asset manager's core capabilities are front and centre in their out-bound communications.

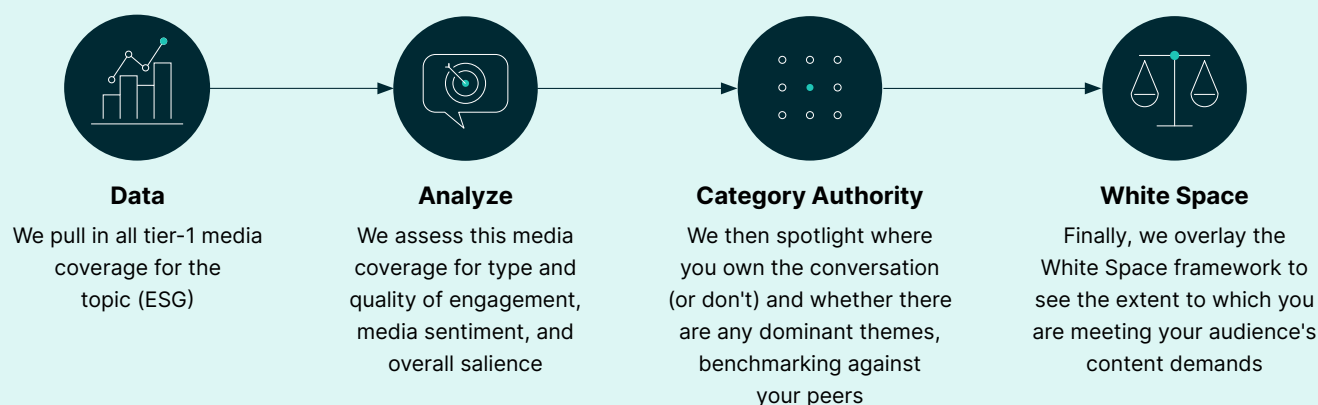
But the communication program itself is just as crucial. We often find that, in our conversations with the industry, asset managers do not have full visibility on how effectively thought leadership is reaching their end audience, the quality of key message dissemination, or what they are really known for.

To help asset managers create greater transparency around the effectiveness of their strategic communications, we created the Message Penetration Analysis (MPA) to evaluate the extent to which key messages are reaching its intended audience through measuring the effectiveness of the managers' communications program. This is captured by our Message Penetration Score (MPS). We also identify what the firm is known for within a particular theme such as ESG and the extent to which they are meeting their audiences' demand using the White Space framework. This is captured by our Message Penetration and White Space 2020 Score (MPS White Space 2020).

Ultimately it helps evaluate whether a firm is on the right path to generating lasting category authority in the topics it wants to "own" and the impact of thematic communication campaigns on overall Brand Awareness, crucial in an industry experiencing a general decline in this regard.

Exhibit 1

Message Penetration Analysis (MPA)



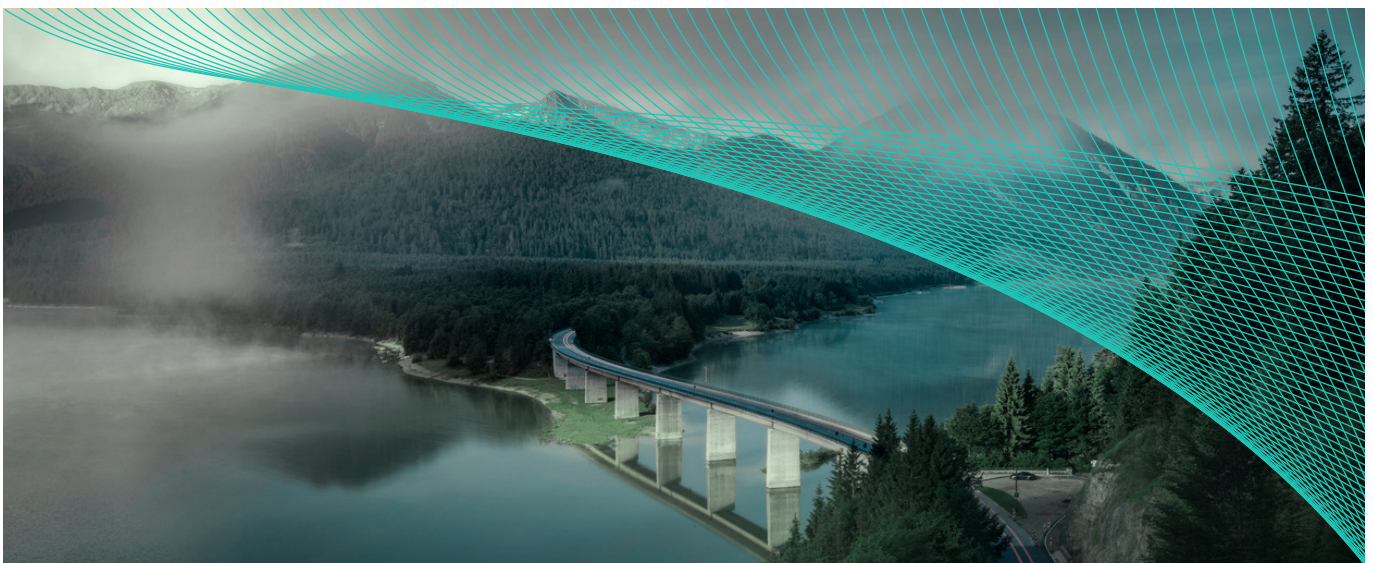
3. Creating Category Authority – the most effective communicators in ESG



Creating Category Authority

Despite the surge in ESG strategies, product launches and related thought leadership materials from many of the largest asset managers last year, some in the industry believe that the majority are still demonstrating a substandard approach to responsible investment and sustainability.

For this study we therefore chose to focus on the 25 asset managers with the highest ranking across responsible investment themes according to [Share Action](#). In doing so, this helps us better account for any potential greenwashing, by only assessing the managers who are identified as having a genuine impact on responsible investment and are then able to assess who among them are the most effective communicators in the ESG space. However, interestingly we found no significant correlation between where a manager was situated in this ranking and our own, unearthing a number of managers who either over or underperform despite their perceived impact.



How well they communicate – MPS

When it comes to the regional origin of the most effective communicators in ESG, European dominance is clear cut, making up the entire top ten in our ranking of Message Penetration Score (MPS).

This is no doubt a reflection of the varying paces at which ESG has grown in Europe and North America, where only four firms made the top 25. In the US specifically, rapidly changing attitudes towards climate change and other elements of ESG (including the Presidency and political climate itself) are likely to accelerate integration. Provided those firms take meaningful steps, this could in time, dramatically affect future rankings. This is due to the fact that when looking at how the top asset management firms in the world perform in their integrated marketing and communications (IMC) activities in our annual G100 report, **80%** of the top 20 were US firms, indicating their superior ability to utilize the IMC tools at their disposal.

Exhibit 2

Message Penetration Score (MPS)

This year, however, the most effective communicator in the ESG space was Amundi Asset Management, closely followed by Robeco and DWS Group, with NN Investment Partners and HSBC Global Asset Management completing the top five. Interestingly, we observed that there is no clear correlation between a firm's ranking in Share Action and the effectiveness of their ESG communications. In comparison to their Share Action ranking, a number of firms underperformed in their communications, notably APG Asset Management, M&G Investments, Schroder Investment Management and PGGM.





In the US specifically, rapidly changing attitudes towards climate change and other elements of ESG (going as high as the Presidency itself) are likely to accelerate integration.

Most notably, of Share Action's highest ranked firms, only Robeco made the top five, who were also outperformers relative to size (AUM), along with NN Investment Partners and Nordea Investment Management. What this demonstrates is that even for many of those firms which are clearly ahead of the rest in terms of their actual ESG offerings, it is no simple matter to create effective communications around these complex, challenging issues.

What makes for effective communications then? While healthy news flow is important, most asset management marketers and communications leads will already be well aware that news flow cannot be relied on to highlight a firm's core capabilities and unique offering. Firstly, this is due to the simple fact that firms do not always have a fund launch or announcement in the pipeline. Secondly, messaging often fails to fully penetrate through these types of engagements, as the media are naturally focused on the what, rather than the how or why.

In evaluating performance, we place a much greater value on those engagements that make a genuine attempt to emphasize purpose, typically in the form of corporate and leadership profiling. These types of engagements deliver far more impact and are far more powerful in communicating a firm's corporate story. Profiles – whether corporate or senior leadership – take a much deeper dive into a topic and they also add a human touch which the reader can more easily engage with. As expected, **92%** of the asset managers we assessed featured ESG-related profiles. For eight of the firms we assessed, profiling activity made up more than **10%** of their most salient pieces of coverage. The most effective managers in this regard were AXA Investment Managers, Nordea Investment Management, Robeco, BNP Paribas Asset Management, and Amundi Asset Management.

92%

of the asset managers we assessed featured ESG-related profiles. For eight of the firms we assessed, profiling activity made up more than 10% of their most salient pieces of coverage

Message Penetration Score (MPS)

Rank	Company	Country	Share Action Ranking	AUM (\$bn)	MPS	MPS WS 20
1.	Amundi Asset Management	France	15	17711.13	10	10
2.	Robeco	Netherlands	1	193.25	8	10
3.	DWS Group	Germany	19	841.99	8	10
4.	NN Investment Partners	Netherlands	8	236.21	8	9
5.	HSBC Global Asset Management	UK	12	468.66	7	9
6.	Aviva Investors	UK	5	477.45	6	9
7.	Nordea Investment Management	Denmark	12	266.8	8	8
8.	BNP Paribas Asset Management	France	2	683.12	6	7
9.	Aberdeen Standard Investments	UK	16	778.13	7	7
10.	Aegon Asset Management	Netherlands	6	381.65	5	7
11.	Legal & General Investment Management	UK	3	1329.05	5	7
12.	PIMCO	USA	24	1754.73	5	6
13.	AXA Investment Managers	France	11	894.99	7	6
14.	Nuveen	USA	21	971.94	4	6
15.	Pictet Asset Management	Switzerland	22	197.25	5	6
16.	Allianz Global Investors	Germany	18	597.53	5	6
17.	APG Asset Management	Netherlands	4	568.32	3	6
18.	M&G Investments	UK	9	474.43	5	5
19.	Schroder Investment Management	UK	7	571.39	4	5
20.	BMO Global Asset Management	Canada	20	260.18	4	5
21.	Union Investment	Germany	23	388.66	3	3
22.	Alliance Bernstein	USA	24	554.06	3	3
23.	PGGM	Netherlands	10	261.57	2	2
24.	La Banque Postale Asset Management	France	14	259.17	2	1
25.	Bank J. Safra Sarasin	Switzerland	17	174.41	2	1

Share of Voice

Share of Voice (SOV) provides helpful context into how well each firm is able to build its profile in global tier 1 media.

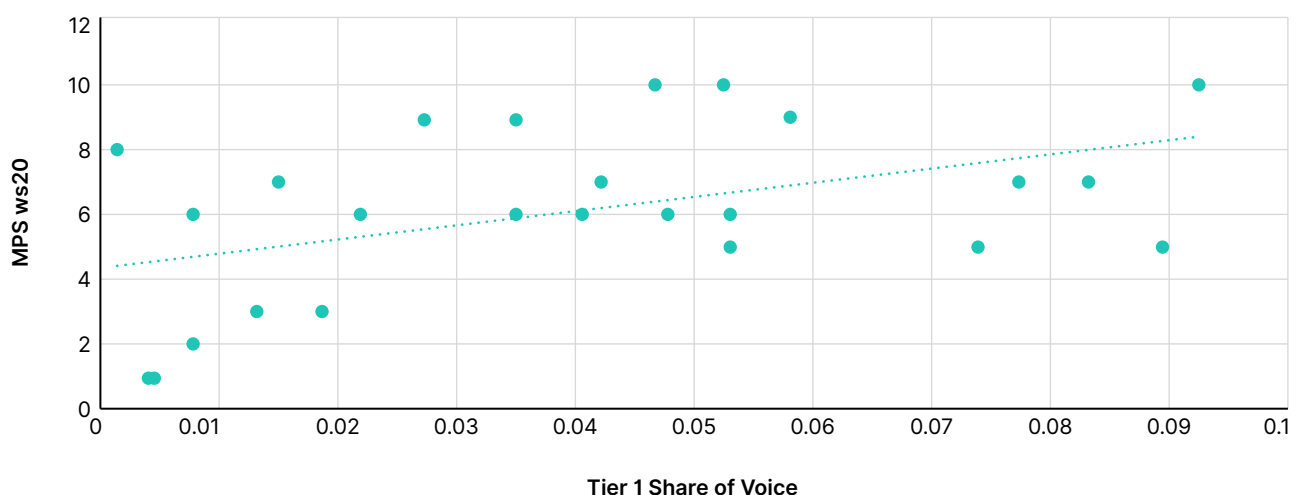
It is also indicative of how well firms' campaigns are resonating throughout the year and how much journalistic interest they are generating. In an era where journalists are frequently under pressure to maximize the number of clicks on their articles, and are therefore more likely to mention the most well-known firms, it also indicates how strong journalists perceive a firm's brand to be.

In comparing overall SOV with MPS White Space 2020 for ESG we do find a positive correlation between the two metrics, which is unsurprising given a higher SOV is likely to infer a more proactive stance with tier 1 media. However, while a number of the firms analyzed in this study have a considerable ownership of the ESG conversation in tier 1 media, this does not always translate into quality message penetration. This is important because often a firm is defined, not by sheer quantity of coverage, but by a few salient pieces, exacerbated in the case of ESG, where a single negative story can entirely alter the perception of the manager and undo wider communications efforts.

Exhibit 4

SOV vs MPS ws20

A manager's overall quantity of media coverage does not always infer quality, underlining the importance of 'less is more' in ESG.



What they are known for – MPS White Space 2020

In 2020, we outlined a number of White Space themes where there was demonstrable demand for content, providing opportunities for asset managers to really own the conversation.

These ranged from materiality and measurement to supply chain transparency and active ownership, as well as product-specific content such as ESG ETFs, fixed income and private equity.

Yet when we look at the ratio of tier 1 media coverage (supply) for each theme in our analysis, the results show that the majority of asset managers continue to focus on the more generic end of ESG spectrum, with only five of the 20 most prominent themes being identified as White Space in 2020. Despite the evident demand for content around these themes, only a select few managers are tapping into that potential to create category authority.

In spite of this wider industry trend, a significant number of managers we assessed demonstrate an attempt to focus on these themes, with some being the most contested in our analysis. As many of these managers scaled up their ESG offerings over the last year, we saw activity focusing on the rapidly growing ESG ETFs and green bonds space, efforts to display transparency in publishing ESG integration efforts, notable divestments, and key hires in sustainability roles. This is highlighted in our dominant themes table, where for each asset manager, we have highlighted the five most prominent themes they are associated with in their most salient media coverage over the last 12 months.



The majority of asset managers continue to focus on the more generic end of ESG spectrum, with only five of the 20 most prominent themes being identified as White Space in 2020.



Category Authority: Dominant Themes

Under-indexed  Over-indexed 

Company / Dominant Themes	1st	2nd
Amundi Asset Management	ESG ETF	ESG Principles
Robeco	Sustainability	Active Engagement
DWS Group	Sustainability	ESG ETF
NN Investment Partners	Sustainability	Green Bonds
HSBC Global Asset Management	ESG ETFs	Sustainability
Aviva Investors	Activism	Low Carbon
Nordea Investment Management	D&I	Emerging Markets
BNP Paribas Asset Management	Sustainability	D&I
Aberdeen Standard Investments	Integration	Emerging Markets
Legal & General Investment Management	ESG ETF	Active Engagement
Aegon Asset Management	Sustainability	Integration
AXA Investment Managers	COVID-19 & ESG	D&I
PIMCO	Green Bonds	ESG Demand
Allianz Global Investors	Sustainability	COVID-19 & ESG
APG Asset Management	Sustainability	Best-in-class ESG Investment
Nuveen	Sustainability	ESG Taxonomy
Pictet Asset Management	ESG Demand	Performance
Schroder Investment Management	COVID-19 & ESG	Sustainability
M&G Investments	Sustainability	Impact
BMO Global Asset Management	Sustainability	Responsible Investment
Union Investment	Sustainability	Green bonds
Alliance Bernstein	Sustainability	COVID-19 & ESG
PGGM	SDGs	Active Ownership
Bank J. Safra Sarasin	Integration	Sustainability
La Banque Postale Asset Management	COVID-19 & ESG	Sustainability

3rd	4th	5th
Green Bonds	Social Bonds	ESG Demand
Integration	ESG Principles	Performance
Integration	COVID-19 & ESG	ESG Demand
Emerging Markets	COVID-19 & ESG	Responsible Investment
Green Bonds	Responsible Investment	ESG Demand
Thematic Investment	Integration	Green Bonds
Climate Change	Integration	Sustainability
Fossil Fuels	ESG ETF	COVID-19 & ESG
Sustainability	ESG Demand	Green Bonds
ESG Principles	COVID-19 & ESG	Integration
Responsible Investment	Negative Screening	Green Bonds
Green Bonds	Impact	ESG Demand
Sustainability	Active Ownership	COVID-19 & ESG
Responsible Investment	ESG Returns	Thematic Investment
Green bonds	SDGs	Activism
ESG ETF	COVID-19 & ESG	Integration
Sustainability	COVID-19 & ESG	Knowledge Sharing
Impact	Integration	Performance
Private Equity	Green Bonds	Thematic Investment
ESG Demand	Active Engagement	Emerging Markets
COVID-19 & ESG	Governance	Climate Change
ESG Demand	Responsible Investing	Green Bonds
Impact	Human Rights	COVID-19 & ESG
Climate Change	Thematic Investment	Water Security
Climate Change	D&I	SRI

Looking more closely at those outperformers, a trend emerges. This is that, for the most part, the managers that were associated with a single theme in more than **20%** of their most salient coverage, and **50%** for their top five themes, had a higher overall score, as highlighted by Exhibit 6 on p. 25. Firstly, this is because if the majority of a manager's media coverage is centered around a small selection of White Space themes, their score improves by more effectively meeting audience demand. Secondly, it is reasonable to infer that if a manager focused on no more than four or five themes matching their core capabilities, they are more capable of developing novel thought leadership, more likely to be better associated with those themes than their peers, and therefore able to access higher value media opportunities such as leadership and corporate profiles in tier 1 media.

A clear and defined focus on no more than five themes in ESG, is what Peregrine defines as best practice in ESG marketing and communications. This is because it helps a manager develop category authority more effectively than attempting to contribute in every area of ESG and failing to cut through the noise of the wider industry, where content often fails to add to the conversation or in some cases merely adds to the 'greenwashing'.

The managers that were associated with a single theme in more than

20%

of their most salient coverage, and 50% for their top five themes, had a higher overall score

Case study

Building lasting Category Authority: Amundi Asset Management



The old sentiment that ESG was exclusively reserved for active managers was well and truly dispelled last year, as passive managers around the world answered the call from investors for a link between passive investing and ESG. Nowhere was this trend more pronounced than with Amundi Asset Management.

The firm, which most recently acquired Société Générale's Lyxor to become the 2nd largest ETF provider in Europe, saw its ESG ETF AUM double last year to \$20bn. In the manager's most salient piece of coverage last year, a Financial Times profile of its new ETF chief Valérie Baudson, she noted her optimism for Amundi to meet its objective of achieving €200bn in passive assets by 2023 thanks to its expertise in sustainable investment.



This statement of intent from the CEO was evident in the firm's ESG communications in 2020, with majority of the most salient media coverage (**75%**) coming in the form of news announcements. Furthermore, **32%** was specifically focused on ESG ETFs, as the firm made a clear statement in aiming to own this space.









































































While the manager is already well-known, no doubt due in part to its size, our analysis found that its overall Brand Awareness score (10) was significantly improved by its ESG communications. Looking at its contextual brand momentum score for ESG (a measure of Brand Awareness over time), the firm received a 10. Having established itself as the pre-eminent player in the ESG ETF space in Europe, it will be interesting to see how the firm attempts to maintain its top spot, with a growing number of competitors piling into passive ESG.

Exhibit 6

Dominant Themes: % of Media Coverage

How focused was each manager: What percentage of their overall output did their top themes make up?

Theme 1  Themes 1-5 

Rank	Company	0%	20%	40%	60%	80%	100%
1	Amundi Asset Management						
2	Robeco						
3	DWS Group						
4	NN Investment Partners						
5	HSBC Global Asset Management						
6	Aviva Investors						
7	Nordea Investment Management						
8	BNP Paribas Asset Management						
9	Aberdeen Standard Investments						
10	Legal & General Investment Management						
11	Aegon Asset Management						
12	AXA Investment Managers						
13	PIMCO						
14	Allianz Global Investors						
15	APG Asset Management						
16	Nuveen						
17	Pictet Asset Management						
18	Schroder Investment Management						
19	M&G Investments						
20	BMO Global Asset Management						
21	Union Investment						
22	Alliance Bernstein						
23	PGGM						
24	Bank J. Safra Sarasin						
25	La Banque Postale Asset Management						

Brand Momentum

Peregrine has been using its Brand Momentum score for a number of years to assess how well firms are able to generate ‘communications alpha’.

The Brand Momentum metric tracks how well each brand is managing to grow (or not) its Brand Awareness over time. While Brand Awareness shows where a firm stands now, Brand Momentum shows how it is changing. Of all the metrics included in this study, Brand Momentum is most closely aligned with “moving the needle” and provides an exceptionally useful window into how well a firm’s messaging, content and distribution are resonating with real world audiences.

In comparing contextual Brand Momentum for ESG with the MPS White Space 2020 we found a significant positive correlation between the two metrics. **100%** of the top five firms, as ranked by the effectiveness of their communications, **grew their contextual ESG Brand Awareness significantly in 2020 versus only 20% of the bottom five.**

This shows that the managers who most effectively communicated around ESG, were more likely to see a positive increase in their Brand Awareness over time than the rest of their peer group. Moreover, for some managers able to employ ‘pattern interrupt’ ESG campaigns, such as Robeco, they saw even more impressive growth in their Brand Awareness. This is a particularly important point to note at a time when Peregrine’s Global 100 research shows that almost two thirds (**58%**) of asset managers globally are suffering from declining Brand Awareness.



Managers who most effectively communicated around ESG, were more likely to see a positive increase in their Brand Awareness over time than the rest of their peer group.

Peregrine's Global 100 research shows that

58%

of asset managers are suffering from declining Brand Awareness

Robeco put a key emphasis on its 'no-nonsense approach to sustainable investment' as it added

232

fossil-fuel producers to its 'exclusion list'

Case study

Pattern Interrupt: Robeco

ROBECO

Considered by Share Action as the leader in responsible investment, it is no surprise that not only does Robeco outperform in terms of its Brand Awareness and share of voice, but also in terms of its digital real estate, notably active ownership.

One of the five themes Robeco announced in January 2020 that it would be prioritizing in that year was decarbonization. True to form, the firm put a key emphasis on its 'no-nonsense approach to sustainable investment' as it added 232 fossil-fuel producers to its 'exclusion list'. A Bloomberg profile that ran in October also emphasized the firm's core belief in active engagement when discussing investor pressure from a group including Robeco on Shell to step up their plans to get to net zero by 2050. An effective grasp of messaging on active engagement is best captured where they commented that "This shows once again that engaging with companies we invest in works, and that this is a

powerful mechanism, and a key differentiator in bringing change to help combat major challenges such as climate change."

Not only is this a clear demonstration of Robeco's ability to maintain category authority around the select topics they want to own through genuine authenticity, it is also evidence of one of the most important best practices to emerge from Peregrine's research over the years, a pattern interrupt moment. This is where a firm makes a step change increase in their brand momentum. Normally a non-linear moment, it should also lead to a sustained increase in Brand Awareness over time. While this particular piece was the firm's most salient of the year, especially in the extent to which key messages on its core offering are disseminated throughout, this was also a significant pattern interrupt moment for a firm already considered an outperformer.

This period, which included other similarly focused media engagements was reflected in both Robeco's contextual brand momentum score for ESG (10) and its overall Brand Awareness score (9), highlighting the potential impact of a successful pattern interrupt campaign, where managers can really move the needle through thematic communications.

Brand Awareness

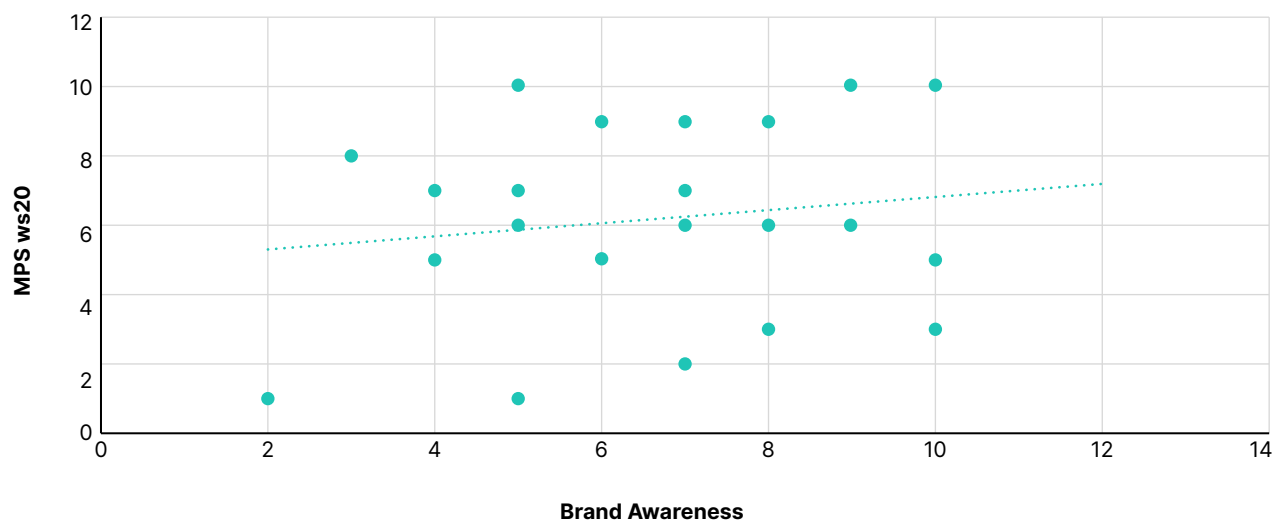
Peregrine's Brand Awareness metric measures the **extent of each firm's engaged audience**. This report looks at each firm's search volume for its brand name; comparing, weighting and scoring this against the rest of the asset managers in the study.

Brand Awareness provides an accurate indication of how well firms' marketing activities have generated an engaged audience through their past marketing efforts. In particular, it is essential for managers to be able to gauge where they are starting from in relation to their peers and close competitors when building their marketing strategies.

Exhibit 7

BA vs MPS ws20

Firms which score well for messaging penetration are much more likely to have grown Brand Awareness in the last 12



When it comes to Brand Awareness, intuitively we understand that size and heritage are going to have some correlation with the number of people who are aware of and engaging with each brand. However, the correlation is lower than people might think, and as observed in last year's Global 100 (our annual ranking on the integrated marketing communications performance of the world's 100 largest asset managers), there is a distinct cohort of firms that significantly outperform their size.

In comparing overall Brand Awareness with MPS White Space 2020, we also found a positive correlation between the two metrics, which is understandable given the crucial focus the majority of these asset managers place on ESG in their offerings. As in our G100 report last year, this positive correlation indicates that Brand Awareness is far more strongly correlated with the quality of a manager's media strategy and the topics it aims to own, which suggests that the ability to perform in this sphere has more impact on a firm's Brand Awareness than merely its size.



In comparing overall Brand Awareness with MPS White Space 2020, we also found a positive correlation between the two metrics, which is understandable given the crucial focus the majority of these asset managers place on ESG in their offerings.

Case study

ESG Brand Dividend: DWS Group



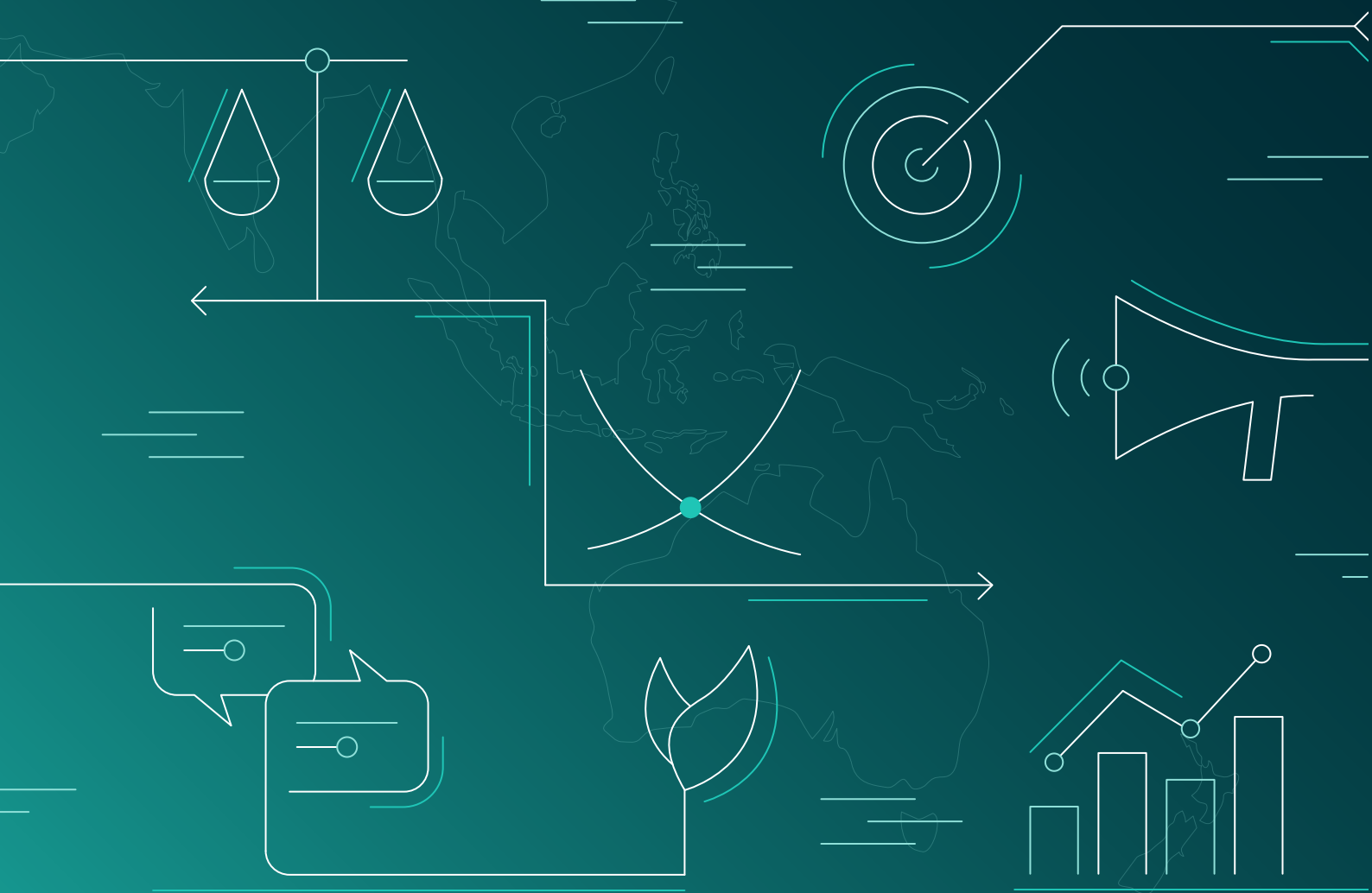
For many of the World's largest asset managers, 2020 was the year that ESG became more than just an add-on to complement their wider offerings.

It was therefore no surprise that most of the group we assessed saw a significantly positive impact on their overall Brand Awareness, as well as within the ESG context. As with Amundi Asset Management, DWS Group was an asset manager that used last year to fully pivot towards sustainable investment, with the CEO even claiming all new investment products that DWS offers will be ESG funds going forward.

DWS Group's focus on building out its sustainability offering was clear in its salient media coverage. **59%** came in the form of announcements including hiring a chief sustainability officer and ESG advisory board, stepping up its integration efforts and commitments to climate neutrality, as well as a flurry of ESG-related fund launches, not least in ESG ETFs. This clear direction was captured in the firm's most salient piece of coverage in a Bloomberg profile, which claimed the German fund giant had captured the investing zeitgeist and was well placed as the fund management industry pivots towards passive products and environmentally friendly investing.

The manager, which currently has an average overall Brand Awareness score (5), saw the highest contextual brand momentum for ESG (10) in the entire study. It will therefore be interesting to see whether there is a residual effect of the firm's monumental pivot towards ESG on its wider Brand Awareness over the next few years as it continues to carry out its promise of only offering ESG products going forward.

4. White Space 2021



Where is the conversation most saturated?

The breakdown of the topics discussed in the media shows a large amount of ESG coverage continues to coalesce around a handful of themes.

Alongside the obvious themes like the environment, social issues and governance concerns, other over-indexed topics include COVID-19 & ESG, Companies, Impact, ESG Demand and Employees. Overall, the results show that the content is still 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.



Alongside the obvious themes like the environment, social issues and governance concerns, other over-indexed topics include COVID-19 & ESG, Companies, Impact, ESG Demand and Employees.

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 eighty themes within our White Space Framework and each of these can be found broken out later in this section. 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. Three of these wider trends are outlined here.



The more eye-catching themes that were identified as areas of white space included Greenwashing and Divestment.

Towards Tangibility

If 2020 was the year that the asset management industry pivoted towards ESG, 2021 is the year stakeholders (not least investors) want to see genuine action.

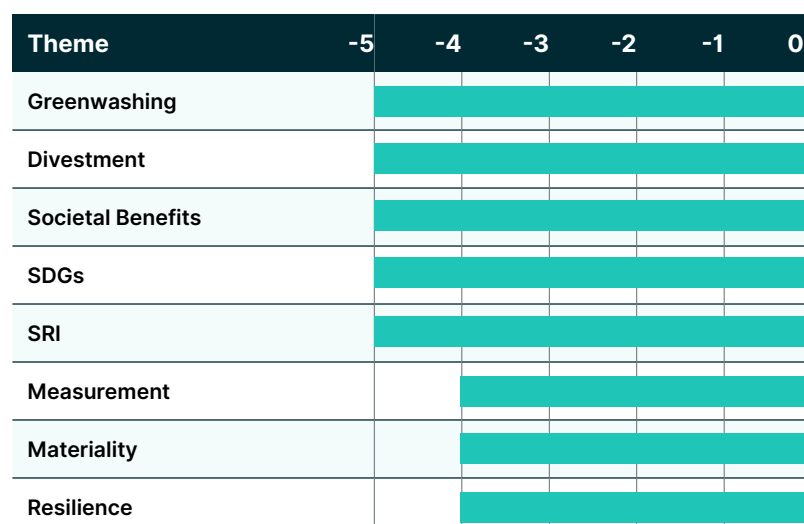
As managers across the globe announced ESG-related products and integration methodologies, this year it is unsurprising to see demand for content on the steps asset managers are taking to meet net zero targets and decarbonization pathways.

The more eye-catching themes that were identified as areas of white space included Greenwashing and Divestment. However, there is still a demand for more positive themes around Sustainable Development Goals (SDGs) and societal benefits, as well as on measurement and materiality.

While it was clear from last year's report that audiences wanted to see a pivot in the form of product launches, philosophy and methodologies, this year the asset managers who want to generate category authority must now look to create content around how they are creating tangible outcomes on decarbonizing their portfolios, both in moving away from those investments that cause most harm and evidence in the form of measuring their progress towards respective net zero targets.

Exhibit 8

White Space: Towards Tangibility



Environmental Factors

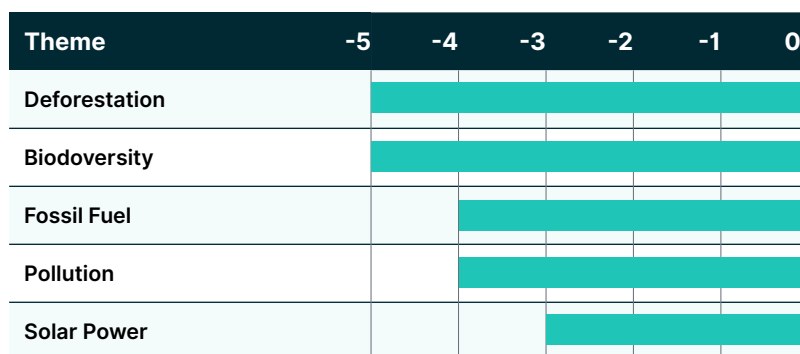
Despite rising concern for the other elements in ESG, particularly those social issues that had been previously overlooked, environmental factors remain a trend containing crucial areas of white space.

There is now a resounding acceptance that capital allocation is one of the most crucial elements in ensuring the planet's long term sustainability. It is therefore unsurprising that our framework highlighted significant demand for content from managers addressing a range of environmental factors.

Although there has been a considerable movement by many asset managers to address this, our White Space research highlights the continued desire for content on this trend, with topics such as fossil fuels, pollution and solar power all 'under-indexed'. However, other elements of the environmental conversation, namely biodiversity and deforestation, remain areas severely lacking in supply. Herein lies an opportunity for well-placed managers, who are genuinely focused on the space to generate category authority around these more nuanced environmental topics.

Exhibit 9

White Space: Environmental Factors



Active Engagement

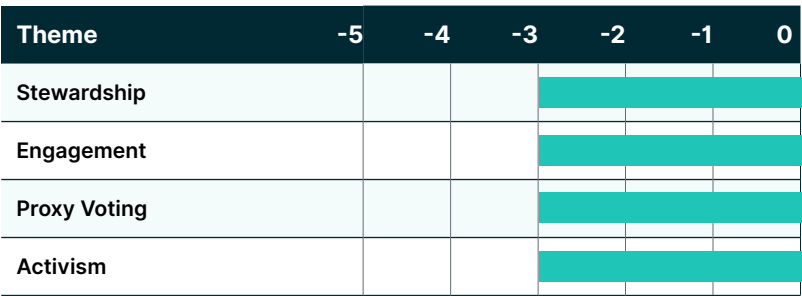
Active Engagement is a key topic highlighted by the White Space analysis in this report and is a real opportunity for those asset managers to demonstrate authenticity through their own behaviours.

Similarly to Active Ownership, Active Engagement describes asset managers leveraging their rights as shareholders to influence and nudge a portfolio company in a new, more sustainable direction. Two primary levers by which companies can be influenced are firstly via proxy voting and stewardship, secondly by engagement and activism.

It appears that asset management audiences are keen to see more from managers on their efforts to engage with companies, rather than simply divesting or adopting negative screening policies.

Exhibit 10

White Space: Active Engagement

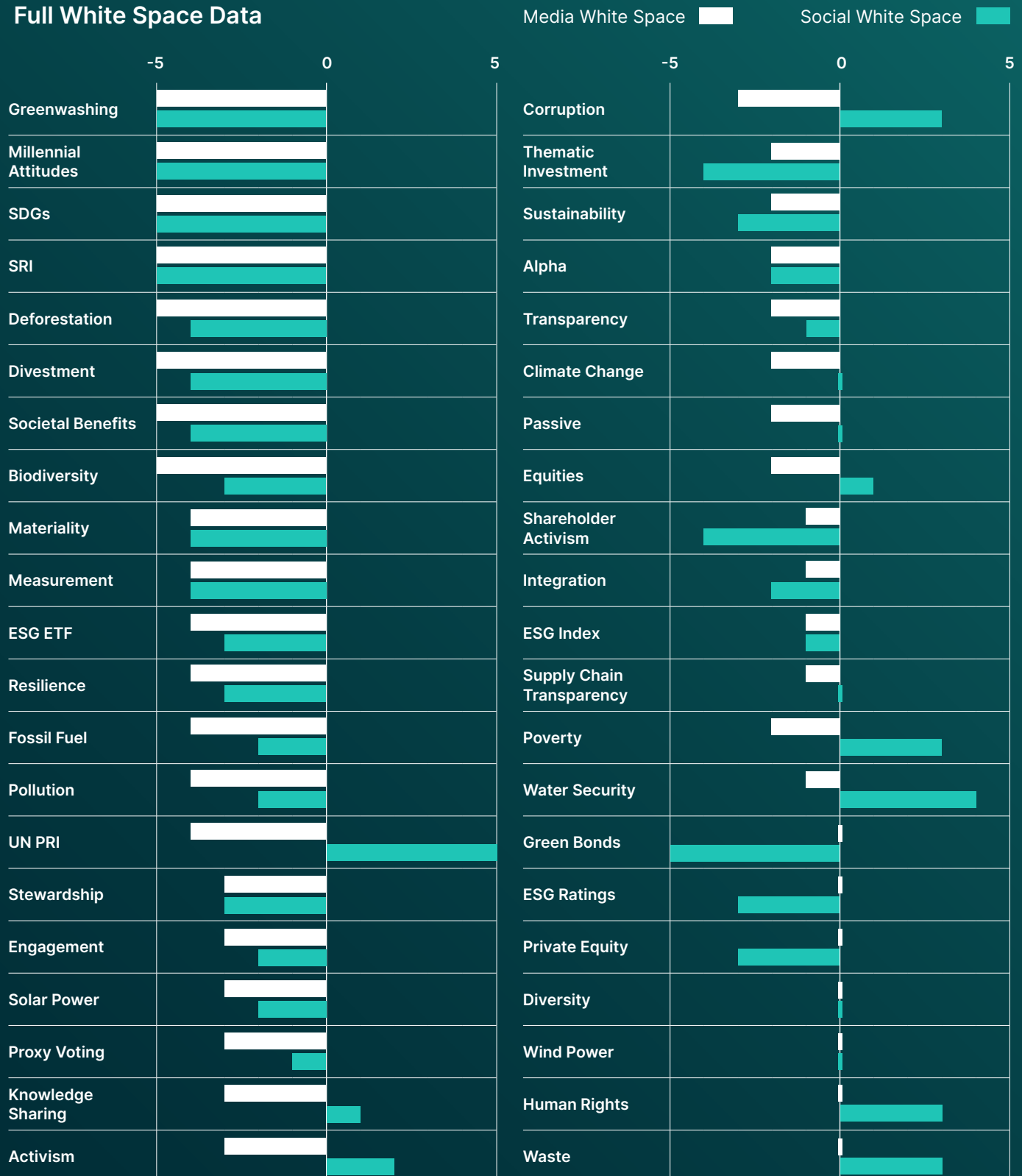


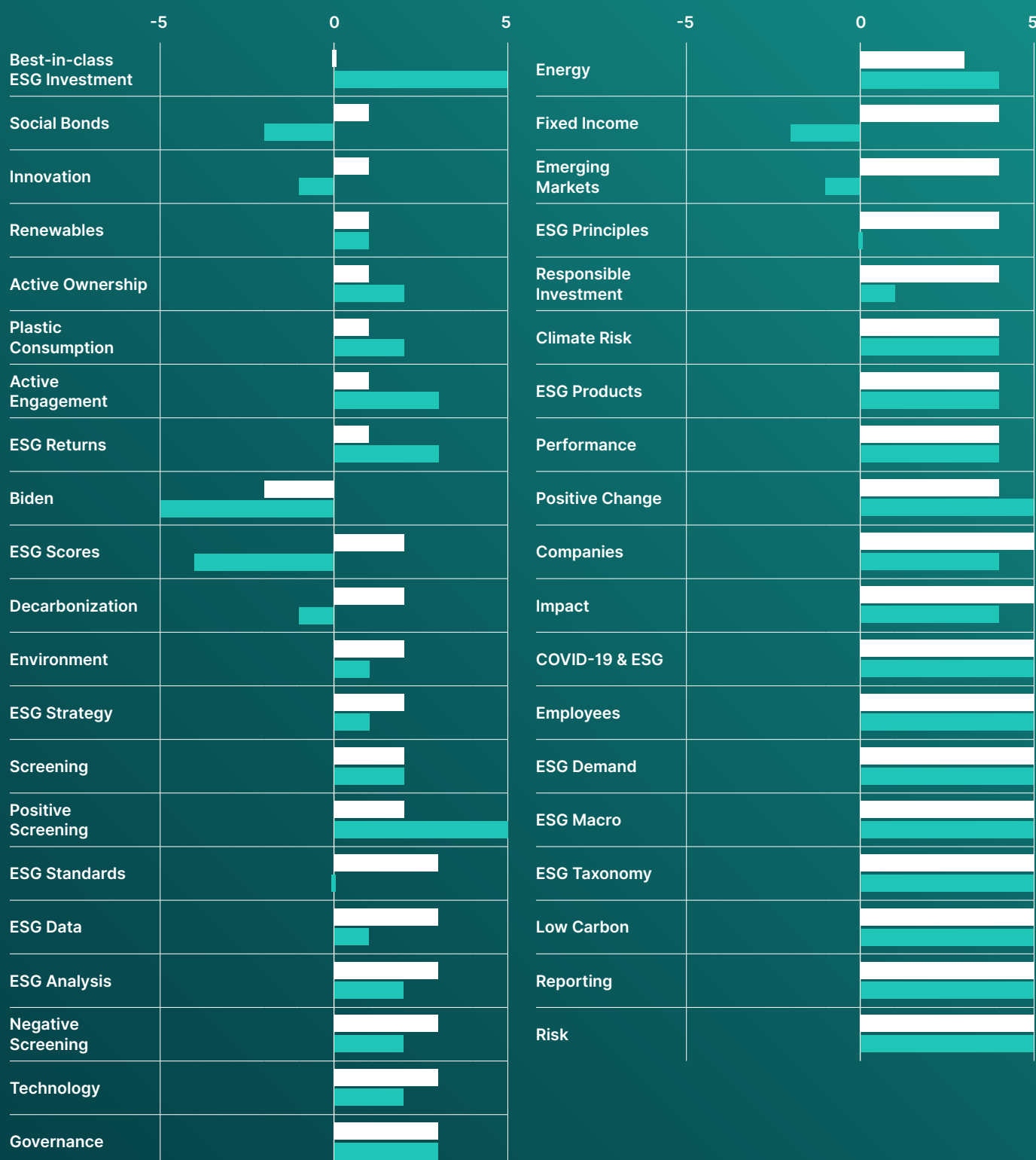
Two primary levers by which companies can be influenced are firstly via proxy voting and stewardship, secondly by engagement and activism.

Full White Space Data

Exhibit 11

Full White Space Data





MPS White Space 2021

If we look at the new White Space data in the context of the MPA ranking, the majority (84%) of asset managers see their scores falling (in some cases, fairly dramatically).

This reflects how our White Space framework is designed to evolve over time to reflect changes in the ESG landscape, with supply and demand of certain themes changing accordingly.

Therefore, it is crucial that asset managers continue to review their outbound ESG communications to ensure they continue to satisfy the demands of their audience, or risk losing relevancy. However, one caveat to this is those select few managers who have succeeded in creating lasting category authority around a topic that they are associated with and now 'own'. While some topics may no longer be considered White Space, we consider these managers unaffected by these changing dynamics, by assuming that of the remaining interest in a particular topic, there will remain sufficient demand for their content specifically.

It is also a symptom of 'less is more'. Managers that attempt to focus on every area of the ESG conversation will struggle in their attempts to build lasting category authority, by failing to add meaningful contributions to the stock of thought leadership. At worst they may suffer from a lack of authenticity which may prove to be absolutely essential as stakeholders begin to hold managers to account more frequently.

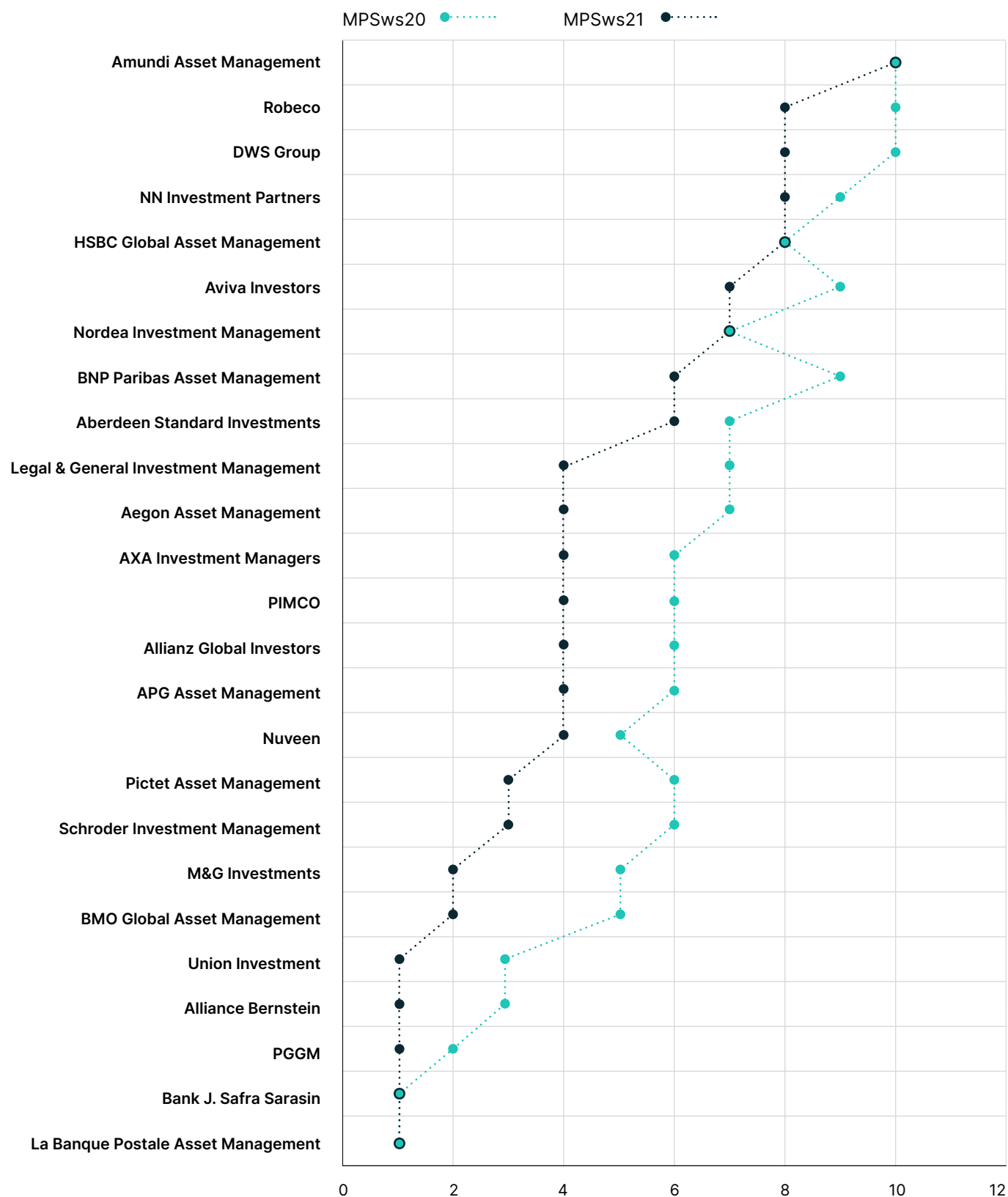


It is crucial that asset managers continue to review their outbound ESG communications to ensure they continue to satisfy the demands of their audience, or risk losing relevancy.

Exhibit 12

MPS ws: 2020 vs 2021

As the ESG conversation evolves, managers who continue to focus on now 'over-indexed' themes may see the benefits of their communications on Brand Awareness diminish.



5. Conclusion

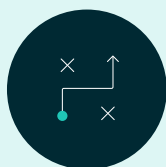
Conclusion

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.

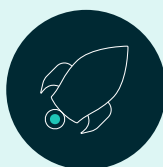
At the heart of this research sits our ESG “White Space” analysis which analyzes more than eighty themes within the wider ESG conversation, seeking to identify areas where there are dislocations between the content that is currently provided by the industry and the content that investor audiences are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

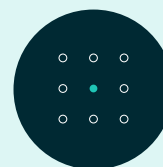
This year we also lifted the lid on the most effective communicators in ESG, using our ‘Message Penetration Analysis’ framework to understand how managers are disseminating their thought leadership into tier 1 media.



Overall, the **most effective communications strategies** are built around in-depth and meaningful content, creatively implemented and then leveraged across all the relevant channels that your audiences engage with.



Campaigns need to be **deeply connected to your own brand identity**, offering real insights to the audiences you serve. Focused, punchier campaigns have more impact on building Brand Awareness over time than a larger number of smaller initiatives.



This approach will also help focus your initiatives on a small selection of themes and ultimately help you **create lasting category authority** around the themes that best match your core capabilities.

6. Appendices

Methodology



White Space

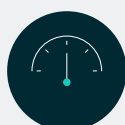
Peregrine has developed a simple, repeatable framework to spotlight areas where the supply of thematic content created by asset managers is mismatched to the organic demand of their audiences. Although data underpinning this report is naturally focused on ESG investment, the same approach can be applied 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.



Media Sentiment

Peregrine’s Media Sentiment metric assesses the ratio of positive to negative sentiment achieved by each firm in its media coverage. To ensure robustness of results – given the idiosyncrasies of sentiment analysis tools – multiple sentiment tools were used and scores aggregated.



Message Penetration Analysis (MPA)

To help asset managers create greater transparency around the effectiveness of their strategic communications, we created the Message Penetration Analysis (MPA) to evaluate the extent to which key messages are reaching its intended audience through measuring the effectiveness of the managers' communications program. We assess the quality of their communications program by assessing the type of engagements, the quality of those engagements, as well as the media sentiment and potential reach, captured by our Message Penetration Score (MPS). We also identify what the firm is known for within a particular theme such as ESG and the extent to which they are meeting their audiences' demand using the White Space framework. This is captured by our Message Penetration and White Space 2020 Score (MPS White Space 2020).

Ultimately it helps evaluate whether a firm is on the right path to generating lasting category authority in the topics it wants to "own" and the impact of thematic communication campaigns on overall Brand Awareness.



Brand Awareness

To formulate our "Brand Awareness" score we utilized the average monthly search volume of each brand. Each firm's score was then weighted against all the other firms analyzed in the Global 100.



Brand Momentum

Brand Momentum as a metric is intended to show how well each firm is "cutting through" – i.e. increasing the amount of engaged interest it receives over time.



Share of Voice

Share of Voice ranks firms by how much Tier 1 media coverage they achieved relative to their peers in the rest of the industry over the last twelve months.

“

To help asset managers create greater transparency around the effectiveness of their strategic communications, we created a new metric.



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