

The Investor Trust 10

The Edelman Trust Barometer Special Report: Institutional Investors examined challenges facing public companies and expectations for building trust with institutional investors. This is an inaugural survey completed by Edelman in partnership with IPREO.



01 Companies are seen as unprepared for new risks from political climate

Nearly 1 in 2 investors agree that most companies do not fully acknowledge the new risks to their business from the current political climate.



of investors agree that a country's current political climate impacts in which companies my firm invests

02 Investors view themselves as agents of change

Nearly half of investors believe their firm's actions can have a meaningful role in influencing a company's corporate governance.



I will support a reputable activist investor if I believe change is necessary at a company I invest in or recommend doing so

03 Companies expected to take a public stand on social issues

Education reform/training, environmental issues and free trade are among the issues companies have an urgent obligation to take a public stand on to ensure global business environment remains healthy and robust, according to institutional investors.



say public companies should address one or more societal issues

04 Board of Directors' reputation matters

66% of investors say they must trust a company's Board of Directors before making or recommending an investment. 62% of investors say frequent Board or management turnover impacts trust of a company.



agree an engaged and effective Board is important when considering a company to invest in

05 Investors care about how you treat employees

One in three investors rank "poor relationship with company employees" as a top three factor negatively impacting trust.



say prioritizing employee commitment impacts investor trust of a company

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06 Investors are tracking whether your customers are satisfied

Declining customer service and product quality has the biggest negative impact on trust in a company.



say a company's customer service satisfaction impacts trust of a company

07 Shareholders demand equal say

More than three out of four investors say equal voting rights impacts their trust of a company.



say providing equal voting rights to shareholders impacts trust of a company

08 Recognize there is no trust without a clear strategy

Nearly all investors agree they trust companies that have a clear strategy more than those that do not.



trust companies that have a clear strategy more than those that do not

09 Focus on the longer-term

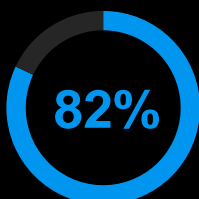
86% say companies focus on short-term results do not benefit my investment strategy.



of investors agree they trust a company that provides forward-looking guidance but misses occasionally more than they trust a company that provides no forward-looking information

10 Trust drives valuation & investment decisions

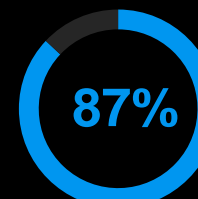
Trust in a company is the top factor investors cite when considering a company to invest in.



say "my trust in the company" is important when considering a company to invest in

94% agree

trustworthy companies deserve a larger premium



agree that they must trust a company's management before making or recommending an investment