

# Gain clarity in 2022: Perspectives from Ted Truscott

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*Three key trends pose both challenges and opportunities for asset managers. Here's how I'm thinking about them in 2022.*

## **Flexibility**

Since the onset of COVID-19, many of us have had to adapt to new ways of working and interacting. And it's become clear that being flexible will continue to be an important part of how our industry continues to evolve.

**We've found different ways to work. And still be highly effective.** Global asset managers have always worked across multiple time zones and offices, and relied on being flexible. But since the onset of the pandemic, the adoption of video conferencing and technology has become the norm — allowing the industry to connect with more people from more locations, faster.

**But there needs to be a balance.** I do consider how this new way of working affects company culture — how new joiners interact with their peers and learn from them. I think about how it affects mentorship and the sense of camaraderie. I think we need to be mindful of maintaining a balance, and I believe that spending time in the office will continue to be important for fostering professional and personal bonds.

## **Responsible Investment**

We will continue to see a focus on responsible investment (RI). It makes sense: Companies with sustainable business models have more potential to deliver value.

**RI will continue to accelerate.** It's already moving at a rapid pace in Europe, primarily through regulations, and among segments of the U.S. institutional business. Beyond regulations, RI is driven by client and societal demands and is becoming part of asset managers' business models — from standardized reporting to investment processes.

**Don't forget about the S and G in ESG.** When it comes to RI and environmental, social and governance (ESG) investing, climate change tends to take center stage. But it's important to consider the social and governance components as well.

Many issues that arise in companies are related to poor corporate governance and oversight, which is why it's important to have RI as part of overall fundamental research and to engage company managements.



William F. "Ted" Truscott  
Chief Executive Officer

**The key is adoption and implementation.** Investors and regulators are asking for more commitment to responsible investment: How is it embedded in your investment process and in your products? What concrete steps are you taking to meet your obligations? It comes with opportunity and risk, and it will be an important focus in 2022 and beyond.

### **Diversity & Inclusion**

The efforts to promote diversity and inclusion in our industry have gained traction, but we still have a significant amount of work ahead of us.

**Progress. But more is required.** I think that many have recognized that diversity and inclusion efforts could be more robust. Industry groups can have a big impact, here as concrete recommendations around what companies should do to improve diversity and inclusion is crucial.

**Hiring practices and education are essential.** I believe we must build a pipeline of candidates who represent the diverse communities in which we operate and the clients that we serve. It's an effort that goes beyond a business imperative of access and equity. It's about encouraging different points of view, which ultimately enrich the fabric of our industry. I think education is critical. At Columbia Threadneedle in the U.S., our work with organizations like the Posse Foundation helps us attract people who may not have been exposed to what we do and identify potential future candidates.

**Growing the talent pool and making up for lost time.** Our clients and colleagues will be looking for concrete steps and real outcomes. In addition to making sure that we are retaining our diverse employees and leaders, I believe that we must expand our talent pool beyond the asset management industry — reaching people with transferable skillsets like analysts, marketers and salespeople from a diverse set of companies and backgrounds. We need to connect with universities and colleges that we haven't traditionally visited and actively recruit from organizations that reach a broader range of candidates. We need to keep the momentum going in the right direction, creating cultures where employees can be themselves, as this will continue to be a key differentiator in our industry.

### **Bottom line**

The industry was undergoing a transformation even before the global pandemic. That hasn't changed. Competition is fierce and goes beyond providing alpha and excellent client service.

COVID-19 isn't disappearing anytime soon. Markets aren't going to get easier. But we will continue to focus on intense global research to back our insights, while maintaining a flexible approach to investing and working together around the world. We know where we've been and where we hope to be in the upcoming year and beyond: Keeping an eye on what matters most in our industry and to the clients we serve.



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