

December 18th, 2017

Ms. Alessia Falsarone
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399 Park Avenue, 4th Floor
New York, NY 10022

Mr. David Post
Director of Research
Sustainability Accounting Standards Board
Re: SASB Public Comment Period

Dear Mr. Post,
Enclosed please find our comments:

Industry: Asset Management and Custody Activities

- **Disclosure Topic:** Employee Incentives & Risk Taking
- **Accounting Metric Code:** FN0103-01
- **Line of Disclosure:** .74
- **Technical Agenda Item:** #2-26

Comment: We find the removal of the above mentioned disclosure topic to be detrimental to the assessment of employee incentives and the assessment of their risk taking behaviors by asset owners and by investment consultants thereby materially affecting the growth of their asset base. Specifically, employee incentives and risk taking are an important topic of due diligence in the awards of institutional money management mandates across the globe. It is a topic that is brought up on a regular basis by investment consultants to gauge relevance of key man risk on overall asset base vs. active fundraising of an asset management business. In an environment of “run to zero” of asset management fees, the lack of discussion of employee compensation openly and transparently would indeed create an environment where pay for performance at all levels of an asset management organization is not recognized as a material governance tool. We see the role of this SASB topic and metric to be instrumental in addressing the need for comparable incentives’ information to be made available to asset owners outside of their due diligence process in a publicly available and comparable form. In addition, in their role as fiduciaries to public pension schemes, asset managers undergo rigorous due diligence processes for asset management services under the bucket of “vendor management”. Removing employee incentives would further impinge the transparency quest of asset owners on topics such as potential conflict of interest and key man risk. As a result, we feel strongly that the removal of this topic and related metrics would be detrimental to the sector and its ecosystem in a financially material way.

Gratefully,

Alessia Falsarone, SASB FSA Credential Holder
Managing Director, Portfolio Strategy and Risk
PineBridge Investments – Global Fixed Income