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## The Evolution of Public Asset Owners: What are some Innovations and Best Practices for Public Asset Owners?

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Public asset owners hold a collective US\$40 trillion dollars in investable assets. In a new white paper titled “The Evolution of Public Asset Owners,” BNY examines innovations and best practices for public institutions at a time of significant market change. When speaking to our survey respondents, we found pockets of innovation that can serve as valuable lessons for peer institutions globally.

We have found an increasing number of public pension funds that look to make a step-change in how data is used to power investment processes or optimize operational processes. This includes applying machine learning or creating better data transparency across the private and public markets.

Central banks are traditionally focused on a carefully risk-managed portfolio to maintain reserves. However, given the yield environment in the past few years, many have diversified into new asset classes and geographies, while being nimble in outsourcing or insourcing portfolio management to reduce costs and maximize returns.

Finally, sovereign wealth funds. They’re often at the leading edge of innovation, embracing complex investment practices from the private sector and taking a total portfolio approach. This extends to making bold infrastructure investments to empower local economies.

Across the board, three main themes set the tone among public institutions: greater portfolio diversification, a wider adoption of securities lending and an increasing role for ESG.

As we describe in the white paper, best practices in these areas offer valuable lessons for peer institutions that face similar challenges and opportunities across the globe.

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