



# **Sustainable Investing: A Unique Opportunity for Swiss Private Wealth Management**

## ***Ten Arguments for Client Advisors***

## Argument 1: Meet growing client interest in sustainability

- Clients desire to align their investments with personal interests (i.e. buying sustainable products)
- Clients wish to do more good than harm with their investments (so-called “warm-glow”)
- Market studies show that demand for such products is especially high among HNWI



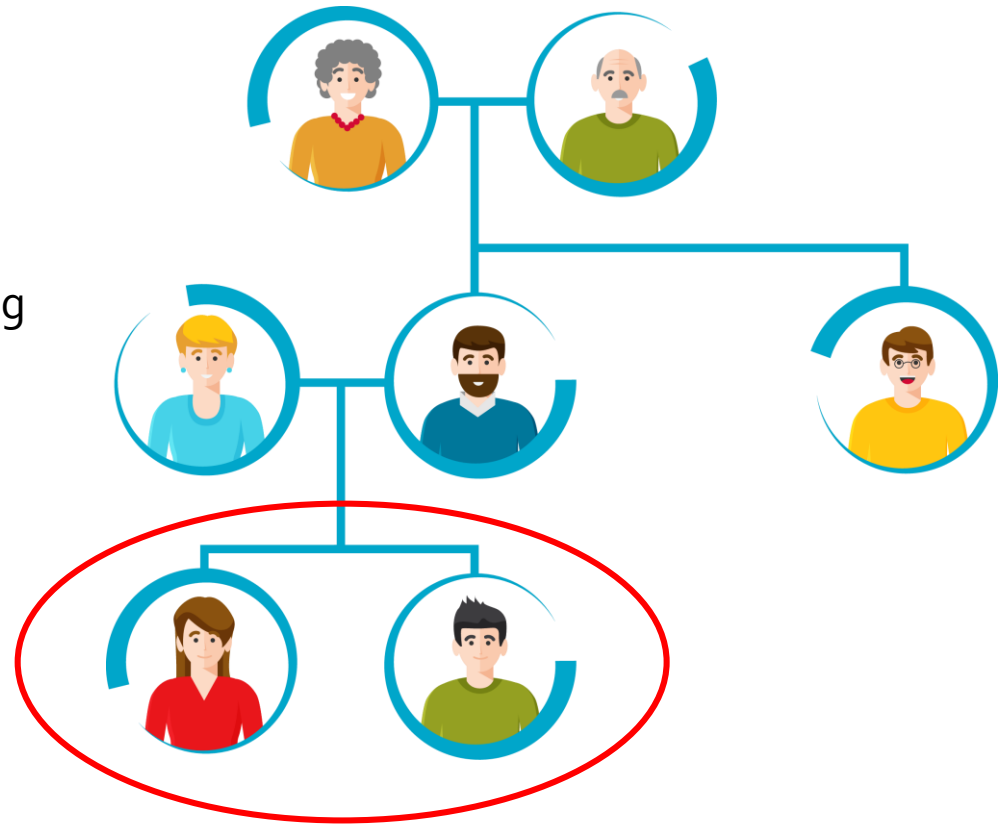
## Argument 2: Strengthen relationships with clients

- Sustainability adds further dimensions to advisory services:
  - On an emotional level: personal values
  - On an intellectual level: current trends and interesting themes
- This helps advisors
  - gain a better understanding of clients
  - further deepen the relationship



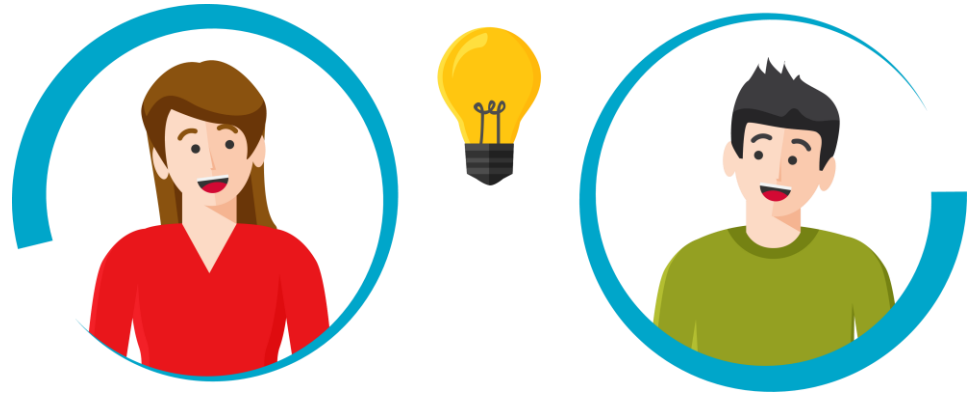
## Argument 3: Attract and retain the next generation of clients

- “Next gens” of high net worth families are set to inherit about USD 41 trillion
- Younger generations have growing interest in sustainability topics as they grew up with sustainability issues
- Sustainable investing is a way to captivate the interest of these generations



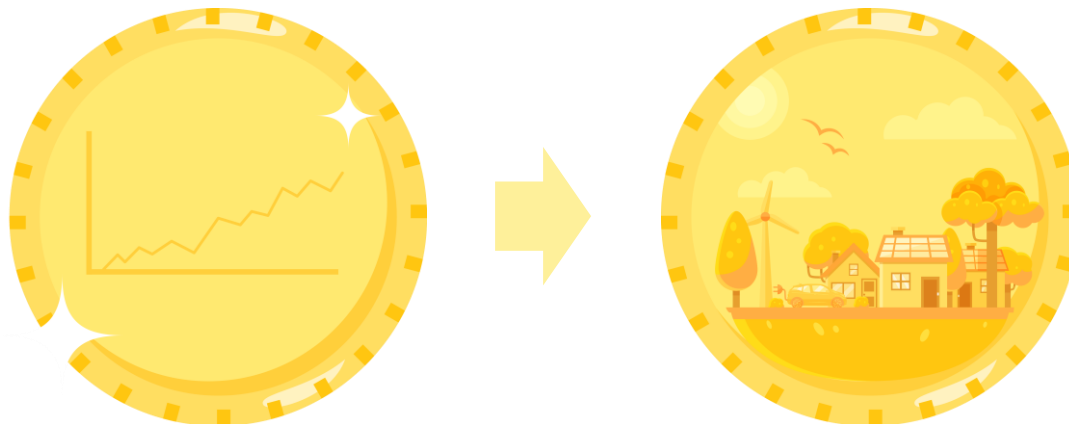
## Argument 4: Communicate "impact" to excite clients

- Sustainable investments contribute to a sustainable economy, i.e. through:
  - innovative products
  - improved production processes
  - promotion of local economies
- Such stories offer interesting discussion points for clients, connecting them to their investments



## Argument 5: Turn client focus toward long-term performance

- Wealthy investors typically aim to preserve capital for next generations
- Sustainability topics are inherently long-term
- Research shows that clients that are informed about the sustainability of their portfolio tend to act more long-term – their investments are more sticky



## Argument 6: Identify well-managed companies based on good ESG credentials

- Research establishes that it "pays to be sustainable": sustainable firms...
  - are more profitable
  - have increased customer loyalty and satisfaction
  - enjoy less costs of equity financing
- 93% of executives of the world's largest firms consider ESG performance as important for their organization's future success



## Argument 7: Mitigate risks related to company reputation

- Intangible value accounts for a large share of company value
- Poor corporate behaviour endangers the value of a company
- Potential risks can be managed through the consideration of ESG data in investments





## Argument 8: Build better client portfolios

- Integrating sustainable investments (i.e. microfinance, low carbon indices) contributes to portfolio diversification
- The long-term perspective of clients justifies the inclusion of more long-term asset classes
- Incorporating sustainability aspects can improve the risk/return profile of portfolios



## Argument 9: Tap into a broad variety of products and solutions

- The sustainable investment product landscape is well developed:
  - a broad range of products exists for all major asset classes
  - sustainable AuM rose substantially over recent years
  - most Swiss banks have sustainable investment products in their standard offering
- The Swiss investment industry is a global leader and innovative hub for sustainable investment solutions



## Argument 10: Champion Swiss values

- Switzerland stands for:
  - high quality
  - stability
  - innovation
- Sustainable investing builds on these Swiss values and therewith is a natural fit to Switzerland
- Sustainable investments are an opportunity for a new competitive advantage for Swiss private wealth management

