

Earning Investors' Trust: Focus on Hong Kong SAR

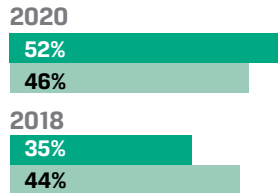


Information Is Essential

Trust in the financial system is stable, although investors remain cautious.

TRUST IN THE FINANCIAL SERVICES INDUSTRY

■ Hong Kong SAR ■ Global



CONFIDENCE IN RECEIVING STATE-SPONSORED PENSION BENEFITS



BELIEVE THEIR INVESTMENT FIRMS ARE WELL PREPARED TO MANAGE THEIR PORTFOLIO THROUGH A CRISIS

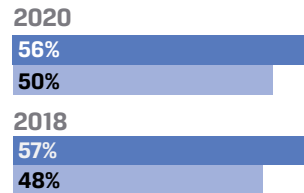


Innovation and Tech Enhance Trust

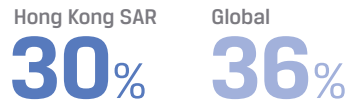
Trust in the industry is driven by technological innovation, as well as the human touch that advisers provide.

IMPORTANCE OF ACCESS TO TECH VS ADVISER

■ Hong Kong SAR ■ Global



INVESTORS WOULD CONSIDER THE USE OF AI TO SELECT INVESTMENTS



TRUST INVESTMENT ADVICE FROM HUMANS OVER ROBO-ADVISERS

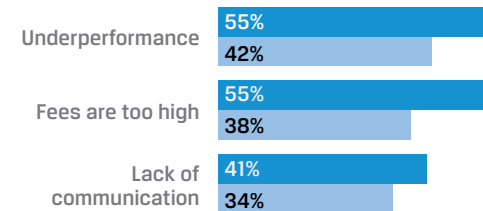


Investors Want Greater Influence and Control

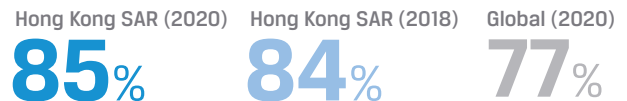
Performance, personalization, and social impact are high priorities for investors.

CONSIDERATIONS TO LEAVE AN ADVISER

■ Hong Kong SAR ■ Global



HAVE INTEREST IN PERSONALIZED INVESTMENT PRODUCTS



REASON TO INVEST IN ESG

- Express personal values/invest in making a positive impact
- Expect ESG investing to result in higher risk-adjusted returns
- Both



Credibility and Professionalism

How Investment Professionals and Firms Can Take Action



When considering the public's trust level in financial professionals now as compared to three years ago, 53% of investors in Hong Kong SAR believe it has improved, while 47% believe that it is worse.

CREDIBILITY

- 1 MAINTAIN STRONG BRAND IDENTITY AND FOLLOW THROUGH ON BRAND PROMISES**

PREFERENCES WHEN HIRING AN INVESTMENT FIRM

■ People that can be counted on ■ A trusted brand

Hong Kong SAR



Global



- 2 EMPLOY PROFESSIONALS WITH CREDENTIALS FROM RESPECTED INDUSTRY ORGANIZATIONS**

SATISFIED WITH THE LEVEL OF CREDENTIALING IN THE INDUSTRY



- 3 STAY FOCUSED ON BUILDING A LONG-TERM TRACK RECORD TO DEMONSTRATE COMPETENCE AND DELIVER VALUE**

IMPORTANT THAT ADVISER GENERATES RETURNS SIMILAR TO OR BETTER THAN A TARGET BENCHMARK



- 4 ADOPT A CODE OF CONDUCT TO REINFORCE YOUR FIRM'S COMMITMENT TO ETHICS**

TRUST ADVISER MORE IF THEY COMPLY WITH A VOLUNTARY CODE OF CONDUCT



PROFESSIONALISM

- 5 IMPROVE TRANSPARENCY AND CLARITY REGARDING FEES AND CONFLICTS OF INTEREST**

LEVEL OF ADVISER TRANSPARENCY

■ Very transparent ■ Transparent ■ Not transparent

Conflicts of Interest



Fees



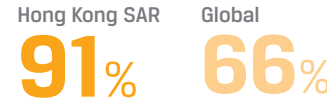
- 6 USE CLEAR LANGUAGE TO DEMONSTRATE THAT CLIENT INTERESTS COME FIRST**

INVESTORS IN HONG KONG SAR WANT INVESTMENT REPORTS



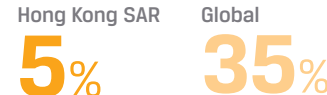
- 7 SHOWCASE YOUR ONGOING PROFESSIONAL DEVELOPMENT TO IMPROVE INVESTMENT KNOWLEDGE**

BELIEVE CONTINUING EDUCATION LEADS TO BETTER PORTFOLIO MANAGEMENT



- 8 DEMONSTRATE YOUR DEDICATION TO THE VALUES THAT CLIENTS HOLD DEAR**

ADVISER ALWAYS PUTS CLIENTS' INTERESTS FIRST



ABOUT THE SURVEY

In 2019, CFA Institute and Greenwich Associates conducted a global survey of 3,525 retail investors and 921 institutional investors, including 100 retail investors and 25 institutional investors from Hong Kong SAR. Retail investors were 25 years or older with investible assets of at least US\$100,000. Institutional investors included individuals responsible for investment decisions with at least US\$50 million assets under management, from public and private pension funds, endowments and foundations, insurance companies, and sovereign wealth funds. For more information, visit trust.cfainstitute.org

