

Earning Investors' Trust: Focus on Mexico



Information Is Essential

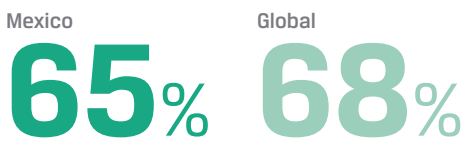
Trust and confidence in the financial system match global averages.

TRUST IN THE FINANCIAL SERVICES INDUSTRY

■ Mexico ■ 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

■ Mexico ■ Global



INVESTORS WOULD CONSIDER THE USE OF AI TO SELECT INVESTMENTS



TRUST INVESTMENT ADVICE FROM HUMANS OVER ROBO-ADVISERS

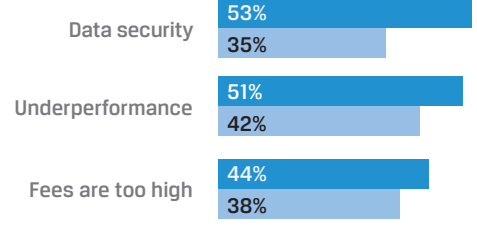


Investors Want Greater Influence and Control

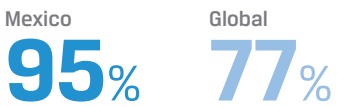
Performance, personalization, and social impact are high priorities for investors.

CONSIDERATIONS TO LEAVE AN ADVISER

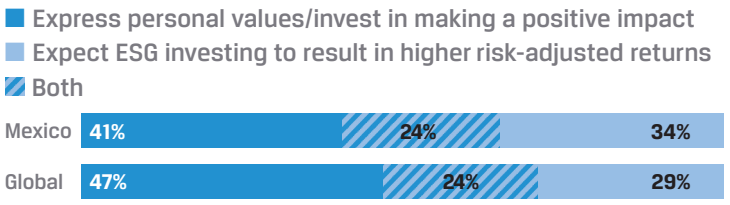
■ Mexico ■ Global



HAVE INTEREST IN PERSONALIZED INVESTMENT PRODUCTS



REASON TO INVEST IN ESG



Credibility and Professionalism

How Investment Professionals and Firms Can Take Action



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

Mexico



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 MEXICO 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



When asked about the impact of the new government on investors' level of trust one year from now, 44% of Mexican investors say it will improve, 20% say it will be worse, and 36% believe it will stay the same.

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 50 institutional investors from Mexico. 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**

