Earning Investors’ Trust:
Focus on United Arab Emirates

Information Is Essential
Investor trust in the UAE is higher than the global average and has increased since 2018.

TRUST IN THE FINANCIAL SERVICES INDUSTRY

- **UAE**
  - 2020: 60%
  - 2018: 46%
- **Global**
  - 2020: 50%
  - 2018: 44%

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

- **UAE**
  - 2020: 79%
  - 2018: 68%
- **Global**
  - 2020: 50%
  - 2018: 48%

Investors Want Greater Influence and Control
Performance, personalization, and social impact are high priorities for investors.

INVESTORS WOULD CONSIDER THE USE OF AI TO SELECT INVESTMENTS

- **UAE**
  - 66%
- **Global**
  - 36%

CONSIDERATIONS TO LEAVE AN ADVISER

- **UAE**
  - Lack of communication: 36%
  - Underperformance: 32%
  - Data security: 29%
- **Global**
  - Lack of communication: 34%
  - Underperformance: 42%
  - Data security: 35%

HAVE INTEREST IN PERSONALIZED INVESTMENT PRODUCTS

- **UAE**
  - 93%
- **Global**
  - 86%

REASON TO INVEST IN ESG

- **UAE**
  - Express personal values/invest in making a positive impact: 31%
  - Expect ESG investing to result in higher risk-adjusted returns: 12%
  - Both: 56%
- **Global**
  - Express personal values/invest in making a positive impact: 47%
  - Expect ESG investing to result in higher risk-adjusted returns: 24%
  - Both: 29%

Believe their investment firms are well prepared to manage their portfolio through a crisis

- **UAE**
  - 2020: 73%
  - 2018: 70%
- **Global**
  - 2020: 49%

Trust investment advice from humans over robo-advisers

- **UAE**
  - 75%
- **Global**
  - 73%
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

   UAE
   2020 22% 78%
   2018 33% 67%

   Global
   2020 49% 51%
   2018 54% 46%

2. EMPLOY PROFESSIONALS WITH CREDENTIALS FROM RESPECTED INDUSTRY ORGANIZATIONS

   SATISFIED WITH THE LEVEL OF CREDENTIALING IN THE INDUSTRY

   UAE 65% Global 50%

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

   UAE 84% Global 77%

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

   UAE 96% Global 84%

PROFESSIONALISM

5. IMPROVE TRANSPARENCY AND CLARITY REGARDING FEES AND CONFLICTS OF INTEREST

   LEVEL OF ADVISER TRANSPARENCY
   □ Very transparent □ Transparent □ Not transparent

   Conflicts of Interest

   UAE
   57% 36%
   Global
   46% 43%

   Fees

   UAE
   60% 35%
   Global
   50% 42%

6. USE CLEAR LANGUAGE TO DEMONSTRATE THAT CLIENT INTERESTS COME FIRST

   INVESTORS IN THE UNITED ARAB EMIRATES WANT INVESTMENT REPORTS

   With more detail
   UAE 75% Global 60%

7. SHOWCASE YOUR ONGOING PROFESSIONAL DEVELOPMENT TO IMPROVE INVESTMENT KNOWLEDGE

   BELIEVE CONTINUING EDUCATION LEADS TO BETTER PORTFOLIO MANAGEMENT

   UAE 40% Global 66%

8. DEMONSTRATE YOUR DEDICATION TO THE VALUES THAT CLIENTS HOLD DEAR

   ADVISER ALWAYS PUTS CLIENTS' INTERESTS FIRST

   UAE 57% Global 35%

About the Survey

In 2018, the market in the UAE was shaken by the Abraaj fraud case, which 49% of investors surveyed believe was due to “individual employees acting in their best interest.”

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 the United Arab Emirates. 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

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