Earning Investors' Trust: Focus on United States

Information Is Essential
Although trust and confidence in the financial system is lower than average, many feel that advisers are prepared for a crisis.

Trust in the Financial Services Industry

<table>
<thead>
<tr>
<th>Year</th>
<th>US</th>
<th>Global</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>43%</td>
<td>46%</td>
</tr>
<tr>
<td>2018</td>
<td>48%</td>
<td>44%</td>
</tr>
</tbody>
</table>

Confidence in Receiving State-Sponsored Pension Benefits

<table>
<thead>
<tr>
<th>Region</th>
<th>2020</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>US</td>
<td>57%</td>
<td>63%</td>
</tr>
<tr>
<td>Global</td>
<td>68%</td>
<td>68%</td>
</tr>
</tbody>
</table>

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

Considerations to Leave an Adviser

<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>Lack of communication</td>
<td>43%</td>
<td>34%</td>
<td>34%</td>
</tr>
<tr>
<td>Underperformance</td>
<td>42%</td>
<td>42%</td>
<td>42%</td>
</tr>
<tr>
<td>Fees are too high</td>
<td>42%</td>
<td>38%</td>
<td>38%</td>
</tr>
</tbody>
</table>

Have Interest in Personalized Investment Products

<table>
<thead>
<tr>
<th>Region</th>
<th>2020</th>
<th>2018</th>
<th>Global 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>US</td>
<td>53%</td>
<td>51%</td>
<td>77%</td>
</tr>
<tr>
<td>Global</td>
<td>51%</td>
<td>51%</td>
<td>77%</td>
</tr>
</tbody>
</table>

Reason to Invest in ESG

<table>
<thead>
<tr>
<th>Reason</th>
<th>US</th>
<th>Global</th>
</tr>
</thead>
<tbody>
<tr>
<td>Express personal values/invest in making a positive impact</td>
<td>52%</td>
<td>47%</td>
</tr>
<tr>
<td>Expect ESG investing to result in higher risk-adjusted returns</td>
<td>30%</td>
<td>26%</td>
</tr>
<tr>
<td>Both</td>
<td>17%</td>
<td>29%</td>
</tr>
</tbody>
</table>
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

   US
   - 2020: 72%
   - 2018: 61%

   Global
   - 2020: 49%
   - 2018: 54%

2. Employ professionals with credentials from respected industry organizations

   Satisfied with the level of credentialing in the industry
   - US: 47%
   - 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
   - US: 76%
   - 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
   - US: 74%
   - 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
   - US
     - 2020: 55%
     - 2018: 46%
   - Global
     - 2020: 49%
     - 2018: 54%

   Fees
   - US
     - 2020: 57%
     - 2018: 50%
   - Global
     - 2020: 50%
     - 2018: 46%

6. Use clear language to demonstrate that client interests come first

   Investors in the US want investment reports
   - Without changes
     - 41%
   - With less jargon
     - 23%

7. Showcase your ongoing professional development to improve investment knowledge

   Believe continuing education leads to better portfolio management
   - US
     - 74%
   - Global
     - 66%

8. Demonstrate your dedication to the values that clients hold dear

   Adviser always puts clients’ interests first
   - US
     - 44%
   - Global
     - 35%

ABOUT THE SURVEY
In 2019, CFA Institute and Greenwich Associates conducted a global survey of 3,525 retail investors and 921 institutional investors, including 500 retail investors and 150 institutional investors from the United States. 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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