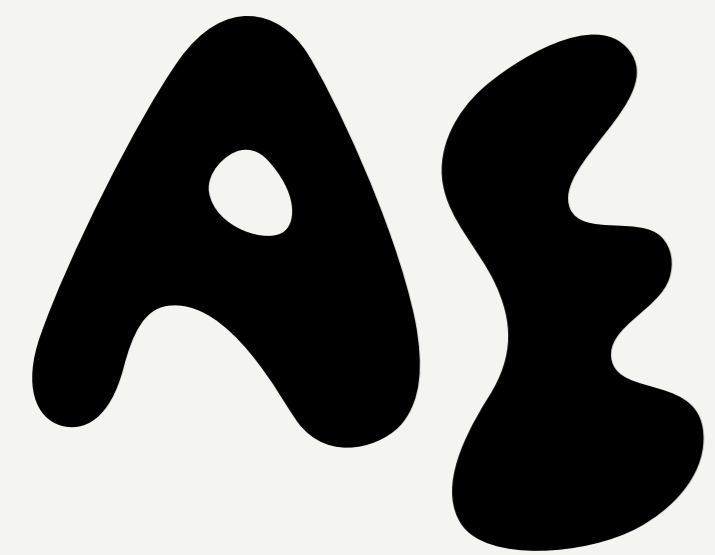


**Australian
Ethical**



Responsible investing: A new frontier in client engagement & advice delivery

AUSTRALIAN ETHICAL X INVESTMENT TRENDS 2022 ESG ADVISER REPORT



ESG adviser

[current] noun

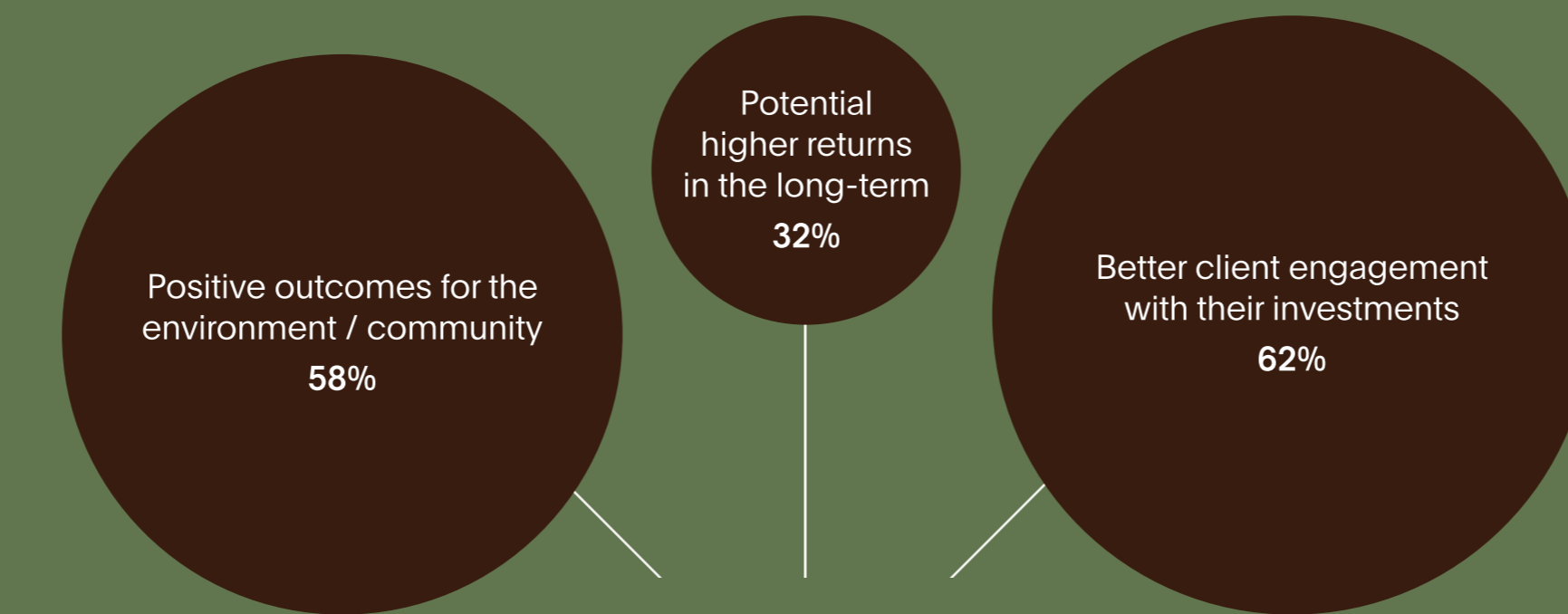
Financial advisers who have determined clients' responsible investing requirements during fact find or discovery conversations, or provided advice on ESG investments in the last 12 months.

Advisers providing advice on ESG investments

Nearly 1 in 2 now



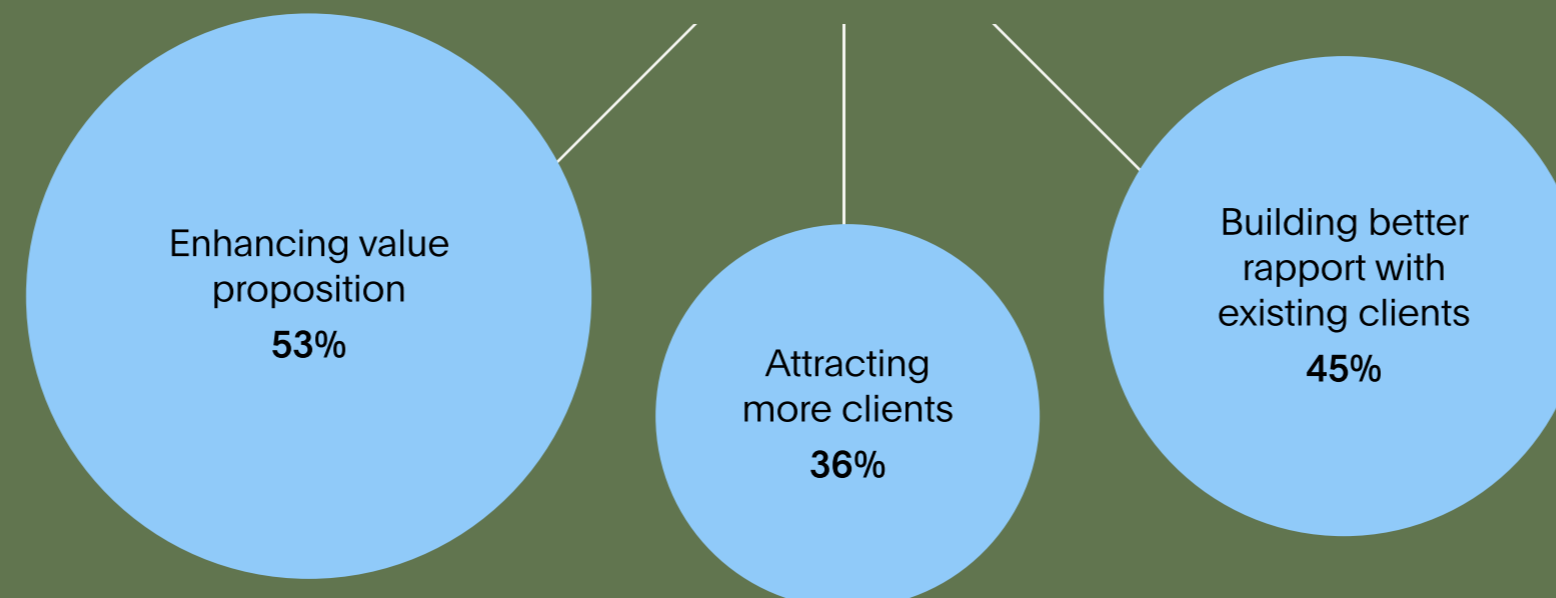
Up from 1 in 5 in 2016



Benefits for clients

Current ESG advisers are realising more benefits from engaging with responsible investing

Benefits for advisers and their practice



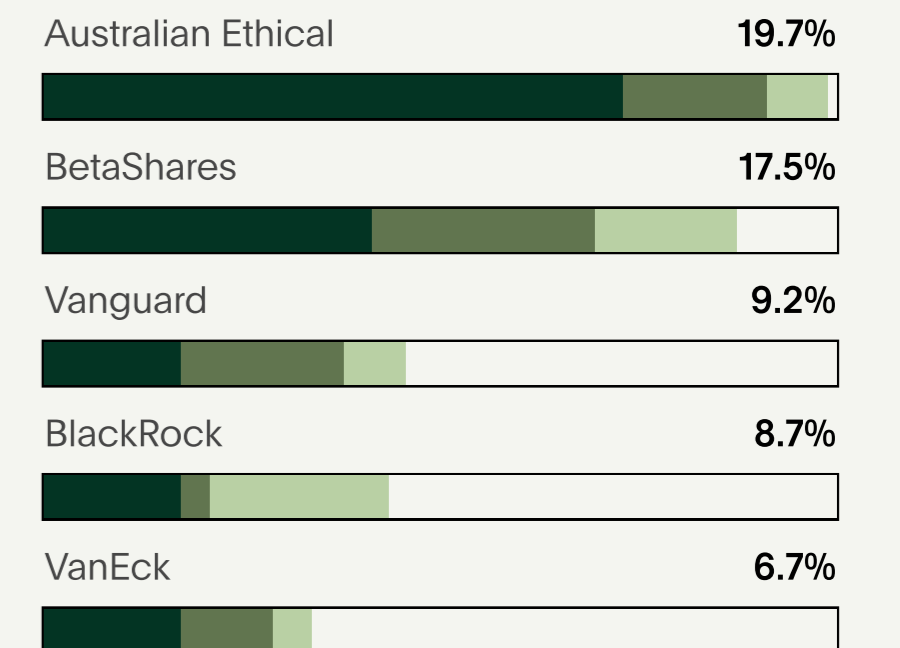
Current ESG advisers who have seen an increase in client demand for responsible investments over the last 12 months

57%

Why AE?

Australian Ethical is the most recognised responsible investment brand among current ESG advisers (unprompted)

Rated first Rated second Rated third



Advisers who recommend our products to their clients place more value on the following factors:

- Active ownership
- Clarity of responsible investing approach
- Active management
- Experience
- Client-facing collateral

A new frontier for advice

With investor demand for responsible investing continuing its rapid rise, advisers are getting on the front foot - embracing responsible investing as an opportunity to enhance their value proposition and build better rapport with clients, whilst being a positive contributor towards both the environment and community.

Inspiring better advice

More advisers are taking ownership of responsible investing, with most ESG advisers seeing it as a requirement for delivering good advice.



34% say the biggest challenge when recommending responsible investments is greenwashing.

What is greenwashing?

'Greenwashing', when referred to in the context of the financial services sector, is the misrepresentation of a financial product as having greater social or environmental credentials than it actually possesses. This can be intentional or unintentional.

Source: Responsible Investment Association Australasia, From Values to Riches 2022: Charting consumer demand for responsible investing in Australia, RIAA, 2022

A richer conversation

With the arrival of values-based advice and more ethical investing solutions, advisers are having more conversations about responsible investing with clients than ever before.

48% Average proportion of clients that ESG advisers discussed responsible investing with in the past year. Up from 38% in 2021

Tools needed for richer responsible investing conversations

Greater transparency of underlying investments	47%
Demonstration of investment impact	44%
Explanation of approach to choosing resp. investments	43%
Product selection / comparison tools	37%
More educational materials / research	37%
More client-facing materials	35%

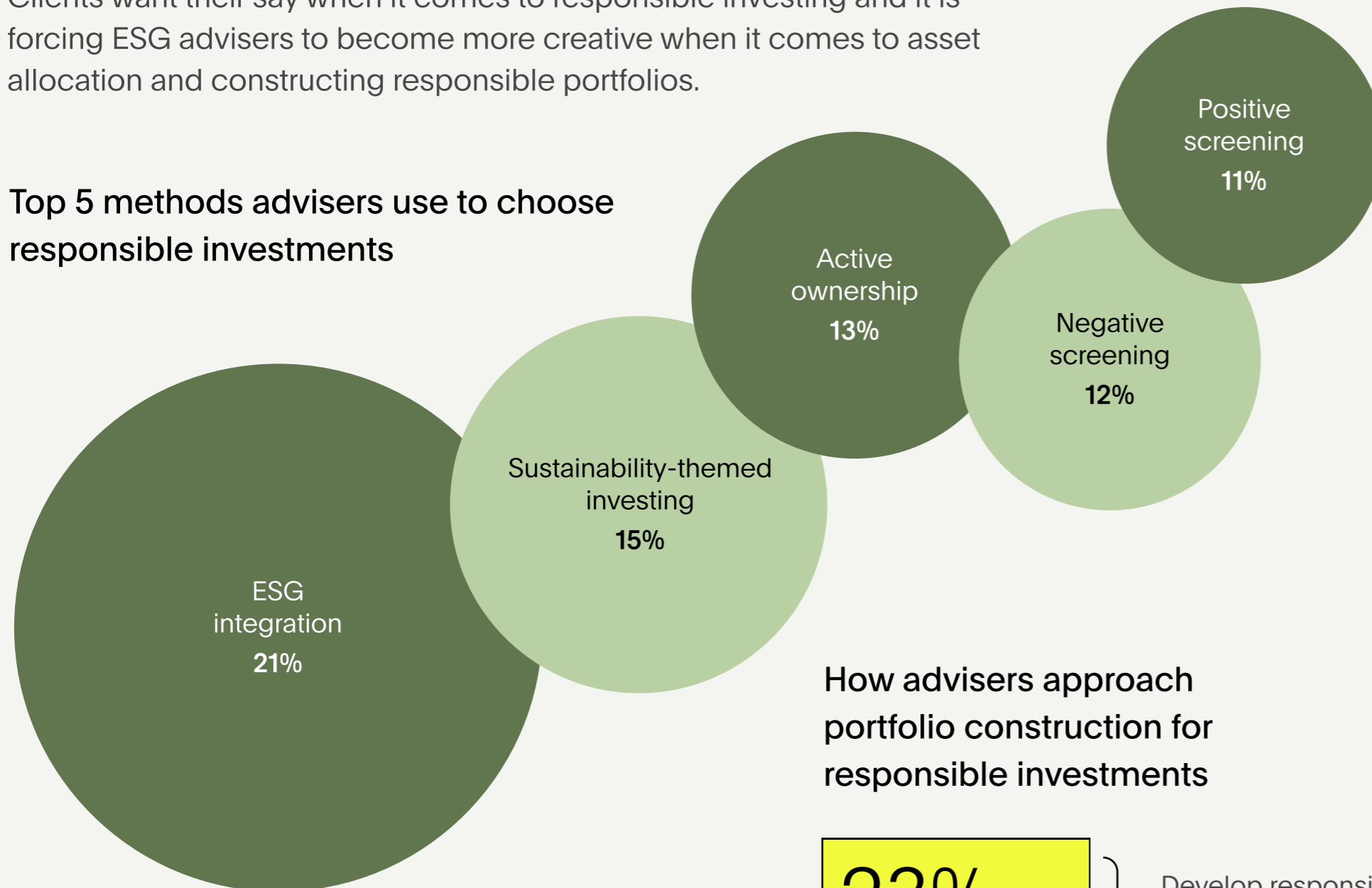


Learn more about our range of ethical investments and find tools and resources you can use to take clients on their responsible investing journey at australianethical.com.au/adviser

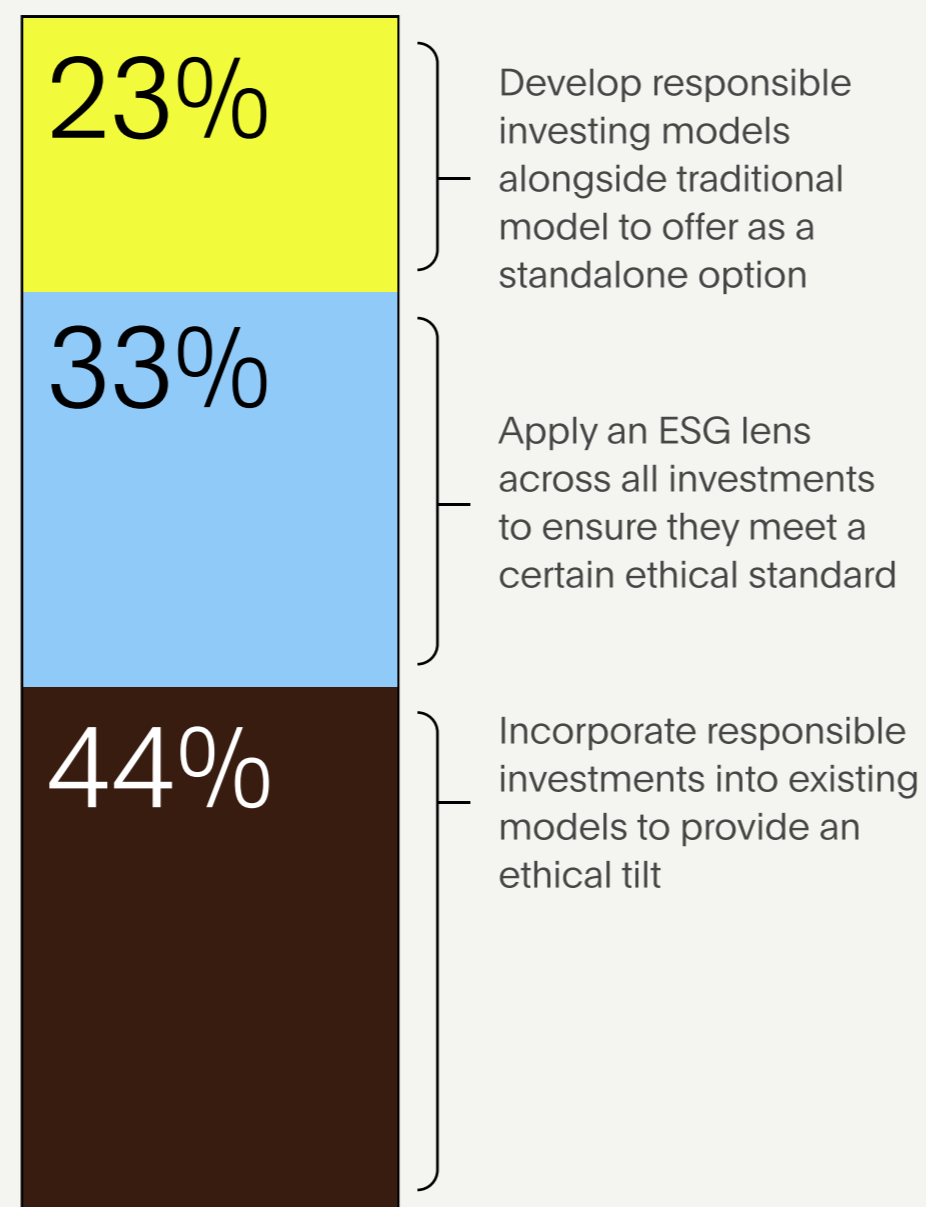
Portfolio construction

Clients want their say when it comes to responsible investing and it is forcing ESG advisers to become more creative when it comes to asset allocation and constructing responsible portfolios.

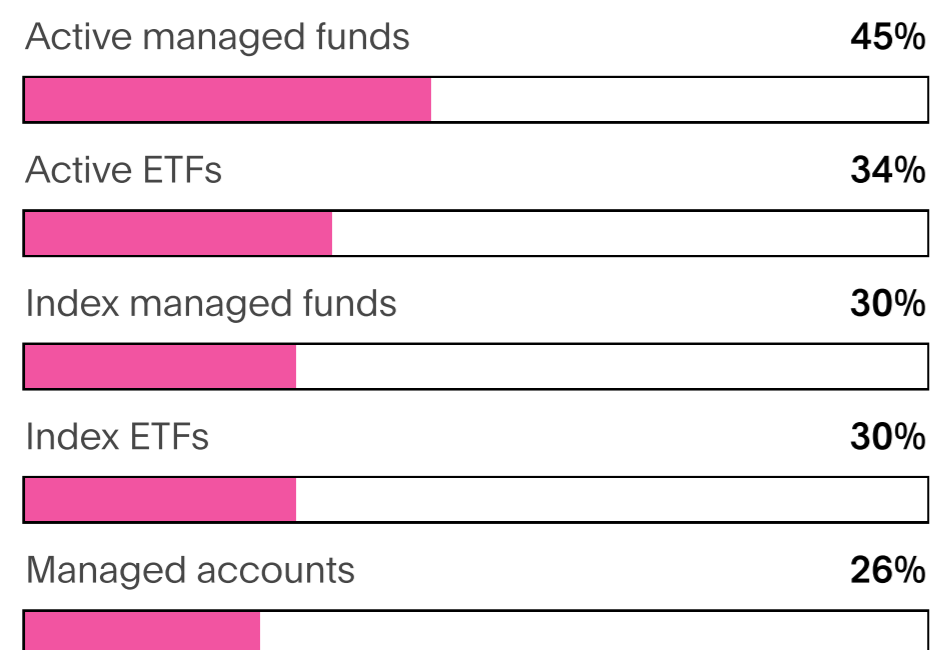
Top 5 methods advisers use to choose responsible investments



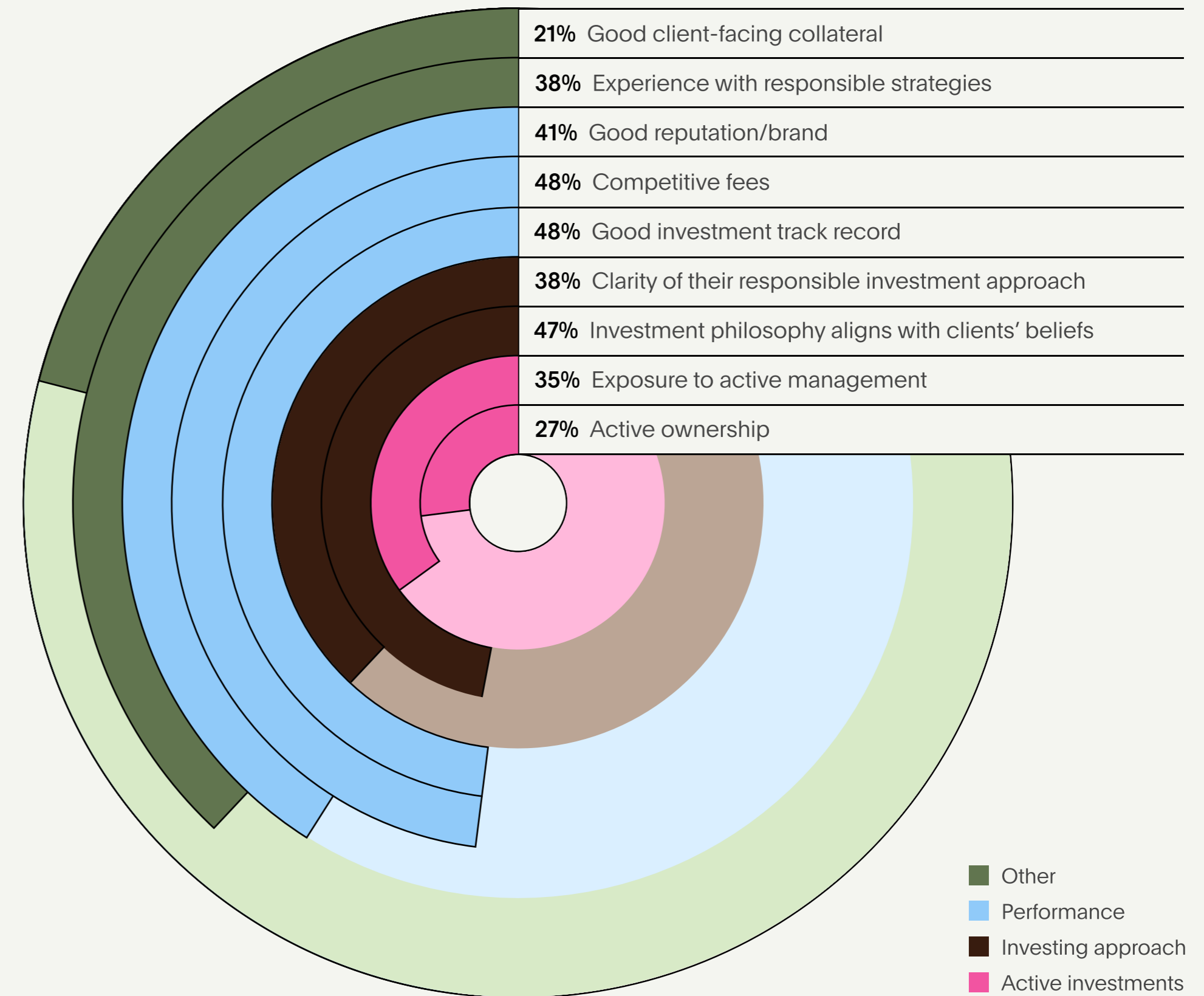
How advisers approach portfolio construction for responsible investments



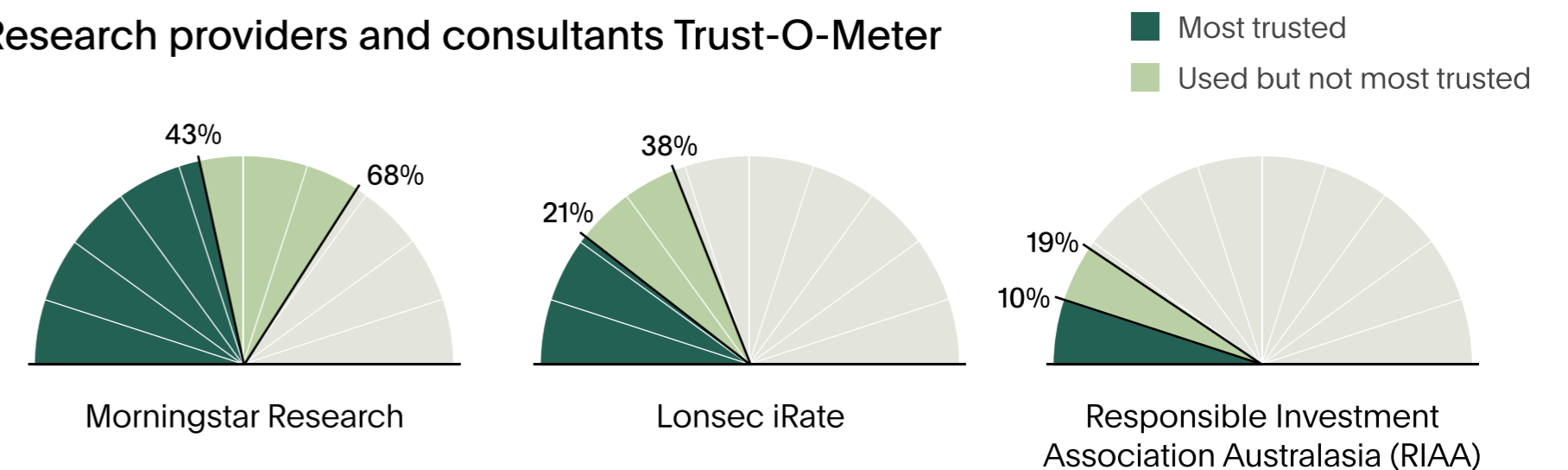
Top 5 products advisers have used to meet clients' responsible investing goals



Most important factors to advisers when choosing responsible investment product providers



Research providers and consultants Trust-O-Meter



Find out more

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Information in this document is sourced from the Australian Ethical x Investment Trends 2022 ESG Adviser Report, released in May 2022. The 2022 edition of the ESG Adviser Report is based on a quantitative online survey of 507 advisers conducted by Investment Trends from February to April 2022.

Learn more about the differences between ESG investing and ethical investing at australianethical.com.au/blog/esg-investing-is-not-ethical-investing

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