

press release

68% of HNW investors want to help create a better future through sustainable investing

Returns take a backseat as investor motivations evolve

25 June 2019, Singapore – High-net-worth (HNW) investors in Asia are expected to increase their investment allocation in sustainable investments to almost 20%, bolstered by a growing desire to create a better future through their investment dollars, according to the [2019 Asia Sustainable Investing Review](#) conducted by Standard Chartered Private Bank.

This year’s survey of HNW investors continued to track the three investor archetypes – Altruists, Value Seekers and Unengaged – in China, Hong Kong, Singapore and India. The survey examined patterns in their engagement in sustainable investing, motivating factors and what is holding them back, compared with 2018.

The study revealed that investors’ knowledge about sustainable investing continues to improve. In Asia, almost 30% of investors can correctly define it, up from 20% in [last year’s survey](#). Similar to 2018, Singapore continues to have the highest number of HNW investors (43%) in Asia who are knowledgeable about sustainable investing. In China and Hong Kong, there are improvements of 5% and 15% in understanding from last year to 18% and 27%, respectively.

Value Seekers remain dominant sustainable investor type

The growing social conscience of HNW investors across archetypes is reflected in their top motivation: “Create a better future” (81% for Altruists and 63% for the Value Seekers). Within the Altruists and Value Seekers, we uncovered a new sub-category of Aspirants – investors who claimed to be engaged in sustainable investing, but have not yet started.

Investor type	The Altruist	The Value Seeker	The Unengaged
Defined by levels of engagement	Knowledgeable about sustainable investing	Have invested in sustainable investments, but still	Not currently engaged in sustainable investing

	and are actively investing in it	hold some misconceptions	
% classified 2019	25	66	9
% classified 2018	16	70	14
Top 3 motivations	<ul style="list-style-type: none"> Helping to create a better future (81%) Doing good while earning a profit (76%) Giving back to society/saving the environment (78%) 	<ul style="list-style-type: none"> Helping to create a better future (63%) Doing good while earning a profit (55%) Better returns (62%) 	NA

The evolution of sustainable investing follows a pattern

Compared with 2018, this year's survey highlighted a pattern of evolving investor behaviour, as they progress along their sustainable investing journey. It also uncovered some of the factors investors consider as they mature in their use of sustainable investments.

Phase 1: Uninvolved	Phase 2: Scouting for opportunity	Phase 3: Initial sustainable investment motivations	Phase 4: Impact outweighs returns	
Investors know a little about sustainable investing, but are not engaged in it	Investors claim they are engaged in sustainable investing but have yet to act	Investors are engaged in sustainable investing, with returns as a primary motivation	Investors have started seeing returns as well as the positive impact of their investments	
Possible reasons why investors are holding back				
41% of Unengaged Investors claimed lack of information about	54% of Aspirants claimed lower return vs. mainstream investments as a	Considerations when making investments		
		< 2 years	2-4 < years	>4 years
		1. Rate of return	1. Transparency	1. Ability to use the right

availability of sustainable investment opportunities a barrier (top reason)	key barrier (top reason)			investment type
		2. Transparency	2. Rate of return	2. Impact on the right sector
		3. Impact on the right sector	3. Impact on the right sector	3. Rate of return/demonstrated track record

Investors are keen to engage, but some are still holding back

Sustainable investments now make up around a fifth of Asian investors' investment funds; in China, a majority of respondents have already allocated between 25% to 50% of their funds to sustainable investments.

Investors are also increasingly keen to support the Sustainable Development (SDGs) goals with their funds, to bridge the annual funding gap of USD2.5tn in developing countries. Altruistic investors are most motivated by energy and climate issues (22%), while Value Seekers are most motivated by health and education goals (12%).

Despite the willingness to engage in sustainable investing, there remain some barriers holding investors back. In Asia, 41% of the Unengaged cited 'Lack of information about sustainable investing opportunities' while 40% of the Aspirants echoed this view as the top reason for not engaging in sustainable investing. Overall, 46% of investors in Asia felt that a 'Demonstrated track record of positive financial returns' would help increase their engagement with sustainable investing.

Didier von Daeniken, Global Head, Private Banking and Wealth Management at Standard Chartered, said:

"It is encouraging to know that investors have more access to information on sustainable investing. Nonetheless, some misconceptions still exist, and this is where banks play a crucial role to educate and help investors overcome their barriers to investing for impact. Our Impact Philosophy offers clients a structured way to invest towards causes they are passionate about, as well as to understand the risks and

returns of potential opportunities. We are committed to helping investors use their funds to bridge the annual USD2.5tn funding gap required to achieve the SDGs.”

Standard Chartered Private Bank has launched a range of solutions to provide clients the opportunity to make both financial and social impact. In Q3 this year, the bank will incorporate Environmental, Social and Governance (ESG) scores into its wealth management investment advisory trade notes for equities. This will allow clients to build in ESG considerations into their equity investments.

For more information on the survey findings, please view our full [2019 Asia Sustainable Investing Report](#).

**This second annual survey covered 416 high-net-worth individuals with a minimum of USD1m in investments, residing in four Asian markets – China, Hong Kong, Singapore and India.*

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About Standard Chartered Bank

Standard Chartered Bank in Singapore is part of an international banking group, with more than 150 years of history in some of the world's most dynamic markets. Our purpose is to drive commerce and prosperity through our unique diversity, and our heritage and values are expressed in our brand promise, Here for good.

The Bank has a history of 160 years in Singapore, where we opened our first branch in 1859. In October 1999, we were among the first international banks to receive a Qualifying Full Bank (QFB) licence, an endorsement of the Group's long-standing commitment to our business in the country.

Singapore is home to the majority of our global business leadership, our technology operations, as well as SC Ventures, our innovation hub. In 2013, the Bank transferred our Singapore Retail and SME businesses to a locally-incorporated subsidiary, Standard Chartered Bank (Singapore) Limited ("SCBSL"). And in May 2019, we fully consolidated our business operations in Singapore through the transfer of our Commercial Banking, Corporate & Institutional Banking and Private Banking businesses to SCBSL. SCBSL is one of the highest-rated banks globally: A1/Stable by Moody's Investor Services, A/Stable by Standard & Poor's and A/Stable by Fitch Ratings.

In Singapore, we support both individual and corporate needs to build wealth and drive commerce at every step of their journey. We do this by offering an entire range of financial services across personal, priority and private banking as well as our business, commercial and corporate banking teams. The Bank has a network of 16 branches, 6 Priority Banking centres and 29 ATMs.

For more information please visit www.sc.com/sg.

Appendix

Which investment vehicles are gaining popularity?

Investors are also evolving in their choice of sustainable investment solutions, with the use of equities, direct investments and discretionary portfolios with ESG focus on the rise among investors.

Investment type	Equities	Direct Investments	Discretionary portfolios with ESG focus
Altruist	44% (2019)	49% (2019)	54% (2019)
	41% (2018)	38% (2018)	36% (2018)
Value Seeker	57% (2019)	52% (2019)	33% (2019)
	49% (2018)	40% (2018)	26% (2018)

Where are the investment dollars going?

Investors are increasingly keen to support the SDG goals with their funds, helping to bridge the annual funding shortfall of USD2.5tn. Altruistic investors are most motivated by energy and climate issues, while Value Seekers are most motivated by health and education goals.

SDG	Altruist	Value seeker
Good health and well-being	8%	17%
Affordable and clean energy	22%	8%
Quality education	8%	12%