press release

# Singapore's affluent and high net worth investors show increased interest in sustainable investing

*Global study shows that Singapore investors are pivoting towards Sustainable Development Goals of Clean Water and Sanitation and Good Health and Well-Being*

**13 July 2020, Singapore** – Standard Chartered Private Bank's Sustainable Investing Review 2020 highlights the resilience of investor interest in sustainable investments amidst market disruptions due to COVID-19. The pandemic has led to a raised awareness of sustainable issues, from glimpsing a more sustainable and environmentally friendly world to a renewed interest in investing in companies that are resilient enough to weather short-term shocks and survive for the long term. As many as 90 per cent of global investors surveyed said they are interested in sustainable investments, with 42 per cent planning to invest 5 to 15 per cent of their funds in sustainable investments over the next three years.

The Private Bank's third annual survey covered around 1,000 investors with a specific focus on affluent and high net worth (HNW) investors in Singapore, Hong Kong (HK), the United Arab Emirates (UAE) and the United Kingdom (UK). Each market contained three sub-groups of respondents: general investors with a minimum of USD25,000 of investible wealth[1], affluent investors with a minimum of USD1 million of investible wealth and high net worth (HNW) investors with a minimum of USD5 million of investible wealth.

## Sustainable Investing in Asia

Interest in sustainable investing in Asia continues to grow. Over the next three years, 43 per cent of investors in Asia said they are considering putting 5 to 15 per cent of their funds in sustainable investments, with 8 per cent looking to invest more than 25 per cent. 39 per cent of those in Singapore considered allocating 5 to 15 per cent towards sustainable investments. Those who had invested in sustainable investments in the past indicated a willingness to invest further.

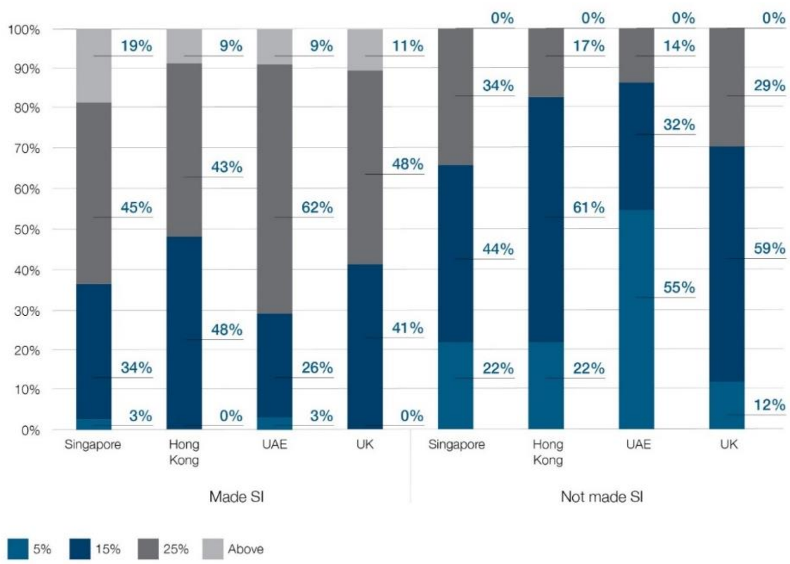
[1] The UK sample included affluent and HNW investors only, not general investors.

**Investors' interests vary across geographies and SDG priorities reflect current climate**

Cultural nuances and local market experiences play a big part in influencing investor personalities and their investment approaches. The effect of the pandemic is also clearly reflected in this year's findings, which highlighted investors' focus on areas that build resilience against future crises. Nearly 50 per cent of global respondents rated the United Nations (UN) Sustainable Development Goals (SDG) of *Clean Water and Sanitation* and *Good Health and Well-Being* as being of higher importance.

The focus on *Good Health and Well-Being* is reflected strongly amongst the Private Bank's clients. The Private Bank has seen a 50 per cent year-on-year increase in asset under management (AUM) in recommended healthcare funds, which was largely driven by interest around COVID-19 and the presentation of more healthcare funds to clients. There were also lower drawdowns year-to-date (YTD) in healthcare funds and during the market pullback in March 2020, highlighting the resilience of the sector. This strong performance stands out when compared to the broader equity market in particular, which has fallen 15.0 per cent YTD (MSCI ACWI, as of 14 Apr 2020) versus the funds' performance. The Private Bank expects the healthcare sector as a whole to benefit and grow over the long run in response to the outbreak.

In relation to investors' consideration for further investments, the report reveals that affluent and HNW investors are generally willing to consider allocating funds towards sustainable investments, regardless of whether they have previous experience in making such investments.



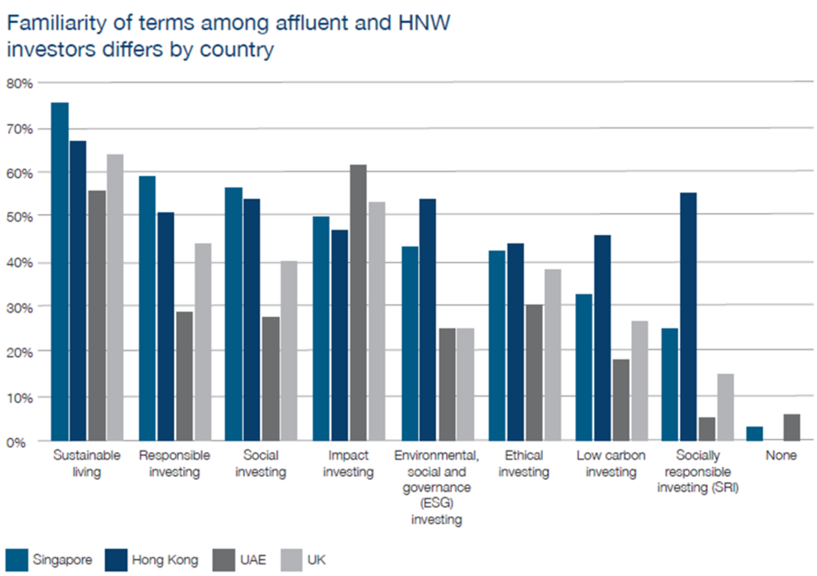

Future sustainable investments being considered by affluent and HNW

### Facilitating interests and removing barriers

Consistent with previous studies, this year's survey shows that investors lack knowledge about how to meet social and impact goals that are of interest to them. 98 per cent of affluent investors are interested in sustainable investing, but 93 per cent are apprehensive about investing in this area. 45 per cent of Singapore's affluent and HNW investors were highly apprehensive about sustainable investing.

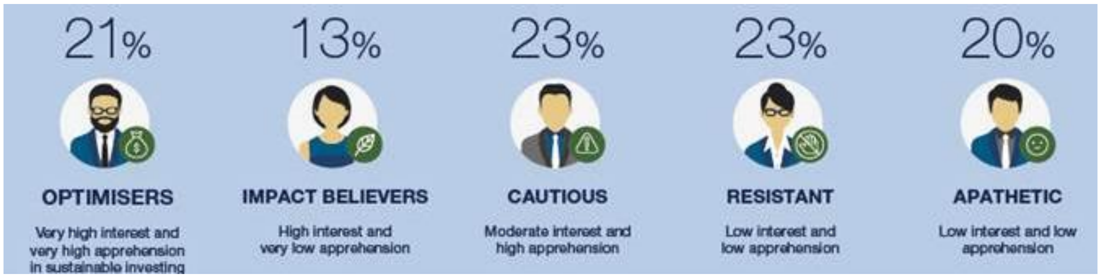
Banks therefore play a critical role in providing essential guidance to clients to unlock the growing momentum for sustainable investing. Besides the lack of knowledge and apprehension, the other top barriers to investment in this segment are lack of motivation and advice.

Amongst global respondents, affluent and HNW investors in Singapore ranked the highest in understanding what sustainable living, responsible investing and social investing means. They, however, fall behind the UAE and the UK when it comes to familiarity with impact investing and second to HK in environmental, social and governance (ESG) investing, ethical investing, low carbon investing and socially responsible investing (SRI).




### Personality influences investment approach

The survey identifies five investor personality types – ***Optimisers***, ***Impact Believers***, ***Cautious***, ***Resistant*** *and* ***Apathetic*** – that influence sustainable investing decisions. Of these, the *Impact Believers* stand out with their high interest in sustainable investing and low apprehension towards such investments; investors in HK make up around one-third of this group. In comparison, investors in Singapore account for 43 per cent of the *Resistant* group, which has similar wealth but lower income to *Optimisers*. They tend to have a high preference for avoiding investments that are unethical or could do harm to the environment or to society but a low interest in sustainable investing.




This finding is consistent with the [Investor Personality Study 2020] released in April 2020, which underpins the Bank's approach to serving clients. By identifying the needs of individual investors based on their personality type, the Bank is able to offer customised advice to help clients achieve better investment outcomes and avoid pitfalls, particularly during times of market uncertainty.

Sumeet Bhambri, Regional Head of Wealth Management, ASEAN and South Asia and Head of Wealth Management, Singapore, Standard Chartered Bank, said:

> "There is definitely heightened interest and greater demand among investors in Singapore to make a positive impact on society and the environment, while still achieving their financial goals. What is important is closing the gap between investor interest and awareness of the ESG solutions available to them. Since we started an ESG awareness campaign in June 2020, investor interest has surged, and we have seen a 90 per cent AUM growth in ESG funds offered on our platform. Our goal at the end of the day is to help clients make better informed decisions when investing in companies that incorporate ESG criteria and practices to improve the risk assessment and long-term return profile of their investments and future-proof their portfolios."

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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.

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