



INVESTMENT QUORUM

UNIQUE, BOUTIQUE WEALTH MANAGEMENT

Investment Quorum
Guildhall House, 85 Gresham Street
London
EC2V 7NQ

Tel: 0207 337 1390

Web: www.investmentquorum.com

Evolution of ESG investing

Changing face of consumer ethics and behaviours

The coronavirus (COVID-19) pandemic has prompted a desire to move into ethical and sustainable investing for more than half (51%) of advised UK adults, according a new report^[1]. And while the trend is common across the generations, it's Millennials who are leading the charge.

The report, which looks at intergenerational planning and wealth transfer between advised families amid the financial volatility and insecurity of the pandemic, found that 61% now care more about the environment and the planet than they did before the pandemic.

FINANCIAL RETURNS WITH A POSITIVE CONTRIBUTION

Investing sustainably means putting your money to work on issues ranging from adapting to and mitigating climate change, and improving working conditions and diversity, to tackling inequality. More and more, investors want to invest sustainably and they want to combine investing for a financial return with a positive contribution to the environment, society or both.

More than a quarter (26%) of respondents admit they are more concerned than they've ever been. One in five (21%) say they are more worried now that they have children and grandchildren.

APPETITE FOR SUSTAINABLE INVESTMENTS

The pandemic has undoubtedly fuelled investor demand for sustainable investing and this is trickling down through the generations – 60% of Millennials, 44% of Gen X and 35% of Baby Boomers confirmed that COVID-19 has increased their appetite for sustainable investments. And many investors go further: 45% confirmed that since the pandemic they now only want to invest in sustainable companies and funds.

Despite the desire for ethical and sustainable investing, more than a third (36%) of UK adults admit they actually have no idea what their current investments – including workplace and

private pensions – are invested in, as they have little to no control.

BEGINNING AN 'INVESTMENT JOURNEY'

For many, the crisis has shifted their financial priorities, prompting more to seek professional financial advice. One in two (53%) respondents said they had either already sought advice – or were planning to because of the pandemic. And just over one in five (21%) were seeking advice to begin their 'investment journey', potentially fuelled by individuals who had built up savings, not having the traditional outlets for spending their income.

With £5.5 trillion in personal wealth due to be passed to the next generation by 2047^[2], the role that intergenerational planning advice played prior to the pandemic was already a significant one. Yet the crisis has reframed financial priorities. Not just for those in later life with Inheritance Tax liabilities, but for all generations.

PLANET, ENVIRONMENT AND SOCIETY

Once perhaps viewed as a fad, sustainable investing is becoming normalised, making it a fundamental building block within intergenerational financial planning. It also enables parents to leave their children more than just a financial legacy in terms of planet, environment and society.

Two in five advised clients surveyed confirmed they expect to increase the amount they invest in Environmental, Social and Governance (ESG) investments over the next five years. ■

HELPING YOU PRESERVE AND GROW YOUR WEALTH

Ready to have a conversation? If you'd like to have an informal, no obligation, conversation about how we can help you preserve and grow your wealth, please get in touch. To find out more – speak to us to review your options.

Source data:

[1] Research was carried by Opinium for Prudential UK & Europe is part of M&G plc among a UK representative sample of 1,000 advised families. The study was completed in November 2020.

[2] Kings Court Trust's Inheritance Economy Research Papers: Passing on the Pounds and Wealth Transfer in the UK. Research conducted by The Centre of Economics and Business Research.

INFORMATION IS BASED ON OUR CURRENT UNDERSTANDING OF TAXATION LEGISLATION AND REGULATIONS. ANY LEVELS AND BASES OF, AND RELIEFS FROM, TAXATION ARE SUBJECT TO CHANGE.

THE VALUE OF INVESTMENTS AND INCOME FROM THEM MAY GO DOWN. YOU MAY NOT GET BACK THE ORIGINAL AMOUNT INVESTED.

PAST PERFORMANCE IS NOT A RELIABLE INDICATOR OF FUTURE PERFORMANCE.