



Trust in Financial Services – Institutional Investors

Webinar

In Partnership
with



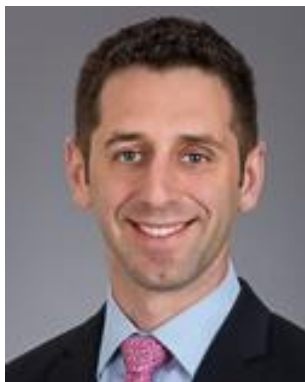
CFA Institute

April 26, 2018

Today's Speakers



**Dan Connell, Moderator
Managing Director
Greenwich Associates**



**Kevin McPartland
Managing Director
Greenwich Associates**

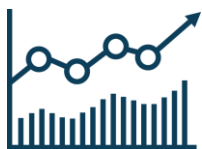


**Rebecca Fender, CFA
Head, Future of Finance
CFA Institute**

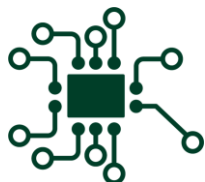
Market Structure & Technology

Our Market Structure & Technology practice examines the impact of regulatory changes, technology and economic factors on financial market participants.

Market Segments



Capital
Markets



Market Data &
Analytics



Financial
Technology



Wealth
Management



Corporate
Banking



Areas Of Focus



Product
Usage



Market
Share



Market
Sizing



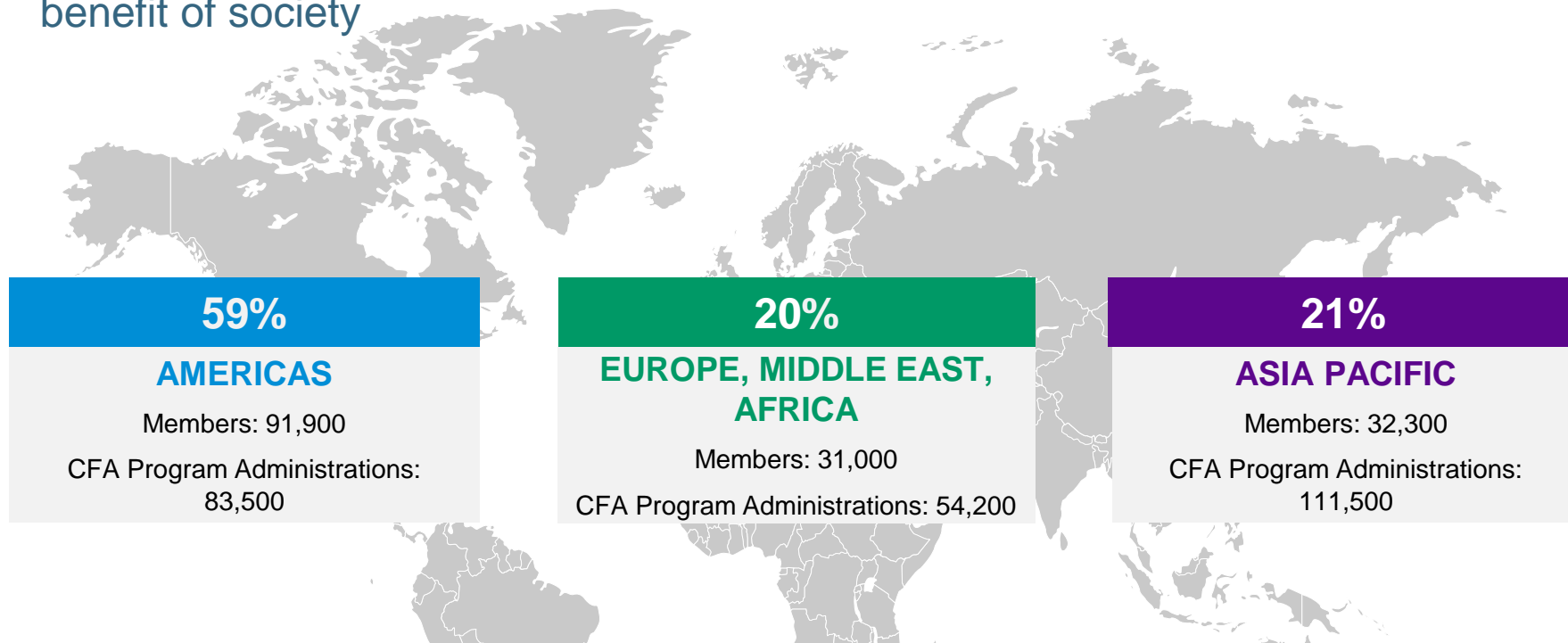
Electronic
Trading



Regulatory
Impact

CFA Institute

Mission: To lead the investment profession globally by promoting the highest standards of ethics, education, and professional excellence for the ultimate benefit of society



151 member societies

More than 150,000 members in more than 150 countries

Discussion Topics



The State of Trust in Financial Services



What Creates Trust?



OK Not to Know?



Expectations for the Next Financial Crisis



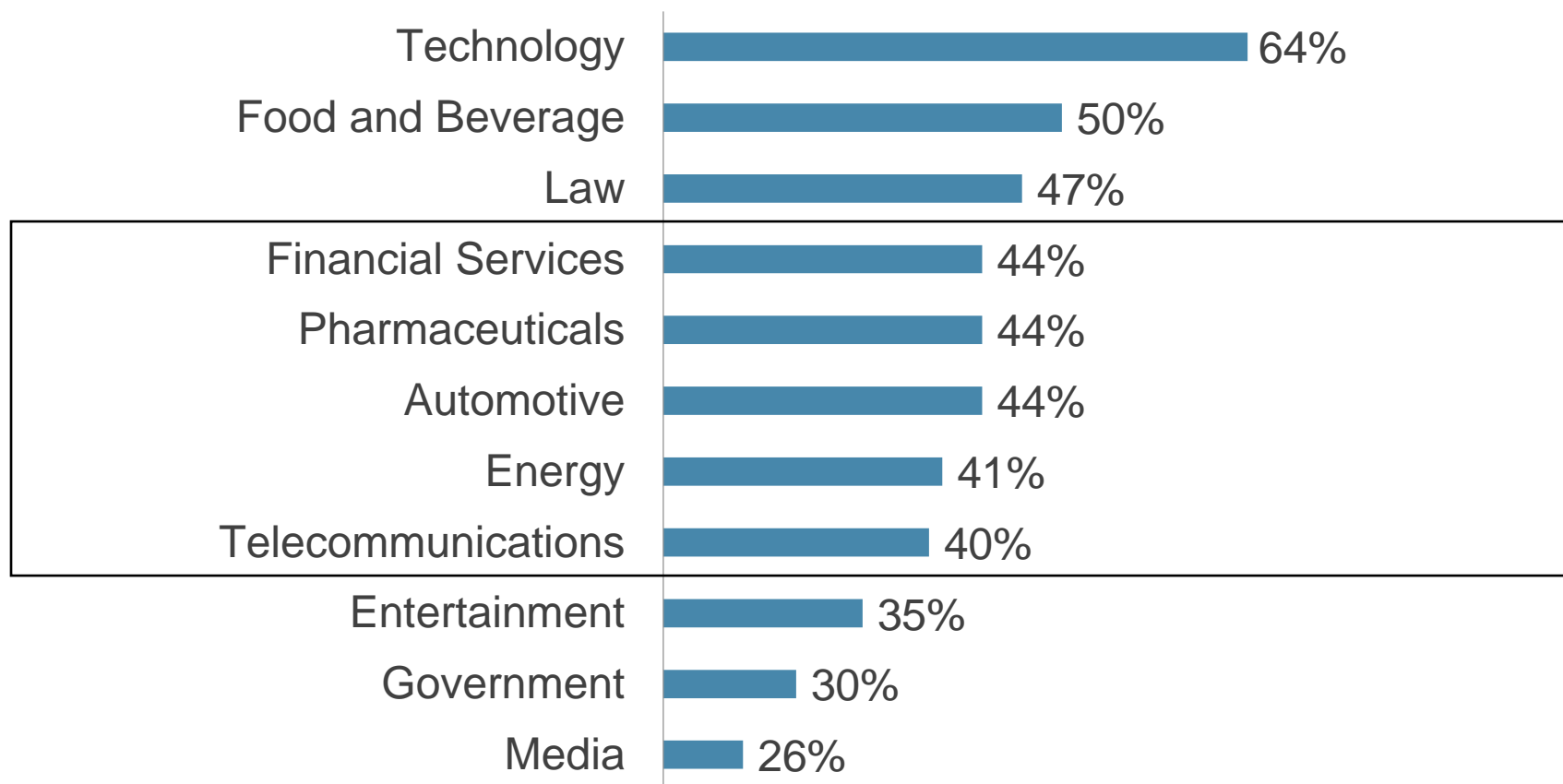
The Takeaways



Questions

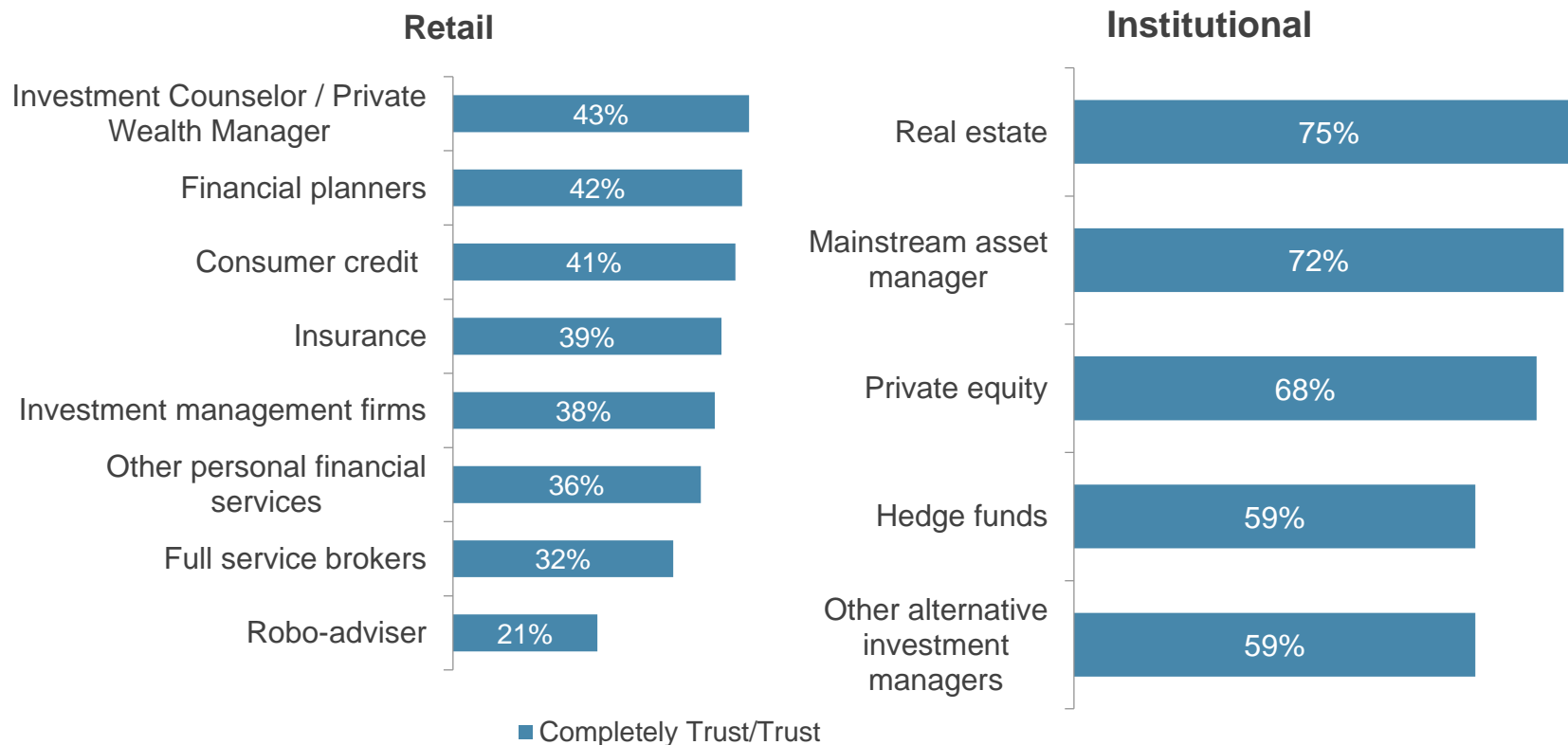
Trust Starts At The Industry Level

2018 Industry Trust Levels by Retail Investors



Trust Of Financial Firms Is Not Created Equal

Trustworthiness in Sub-Industries



Base: Total Institutional (829)


Q8C. What is your level of trust in the following investment firm types?

Communication And Transparency Is Key To Trust

Areas of Improvement for Increased Trustworthiness



Base: Total Institutional (735)
Q36. What is the one thing the investment industry could do to most improve its trustworthiness?



The State of Trust in Financial Services



Dan Connell
Greenwich Associates



Kevin McPartland
Greenwich Associates

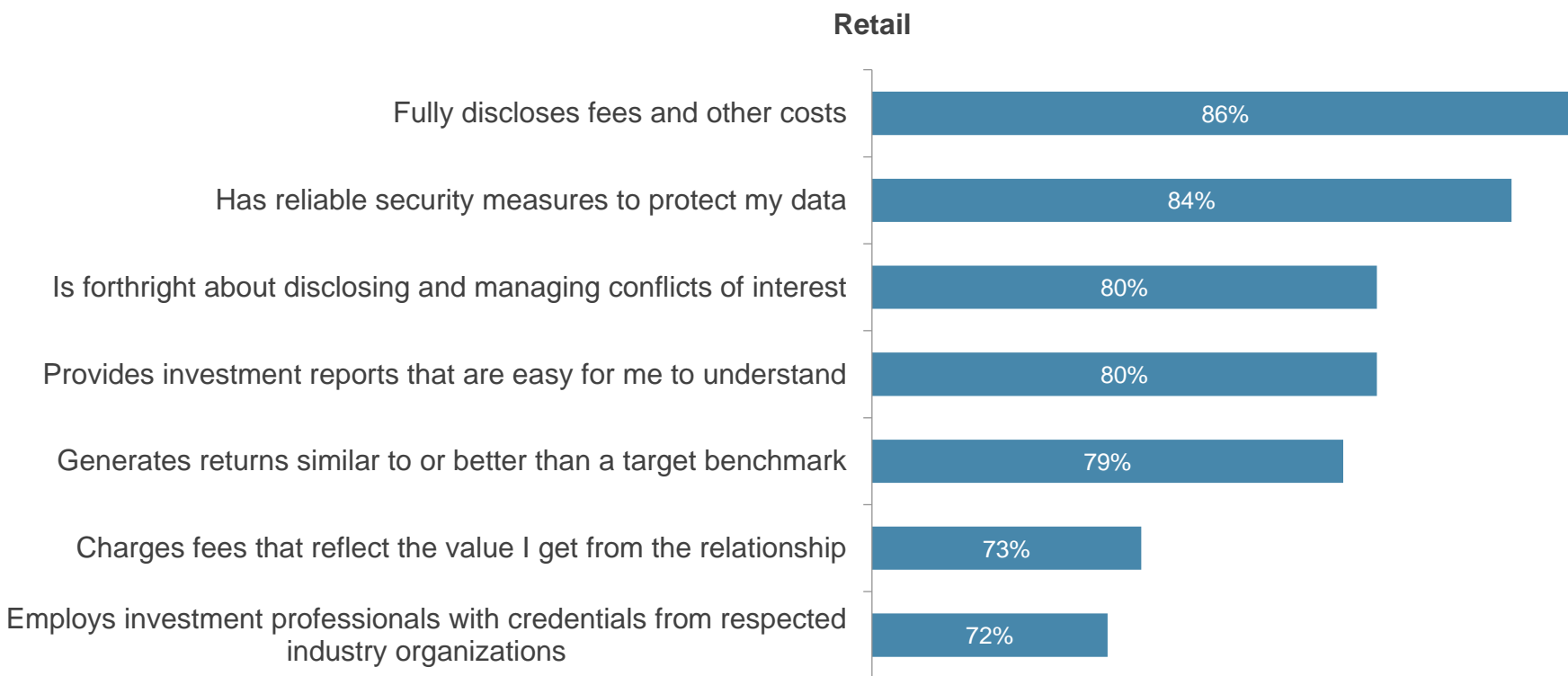


Rebecca Fender, CFA
CFA Institute

Transparency Remains Critical To Trust For Retail

Transparency about fees, not to be confused with low fees, trumps benchmark beating returns, but is only slightly more important than cyber-security.

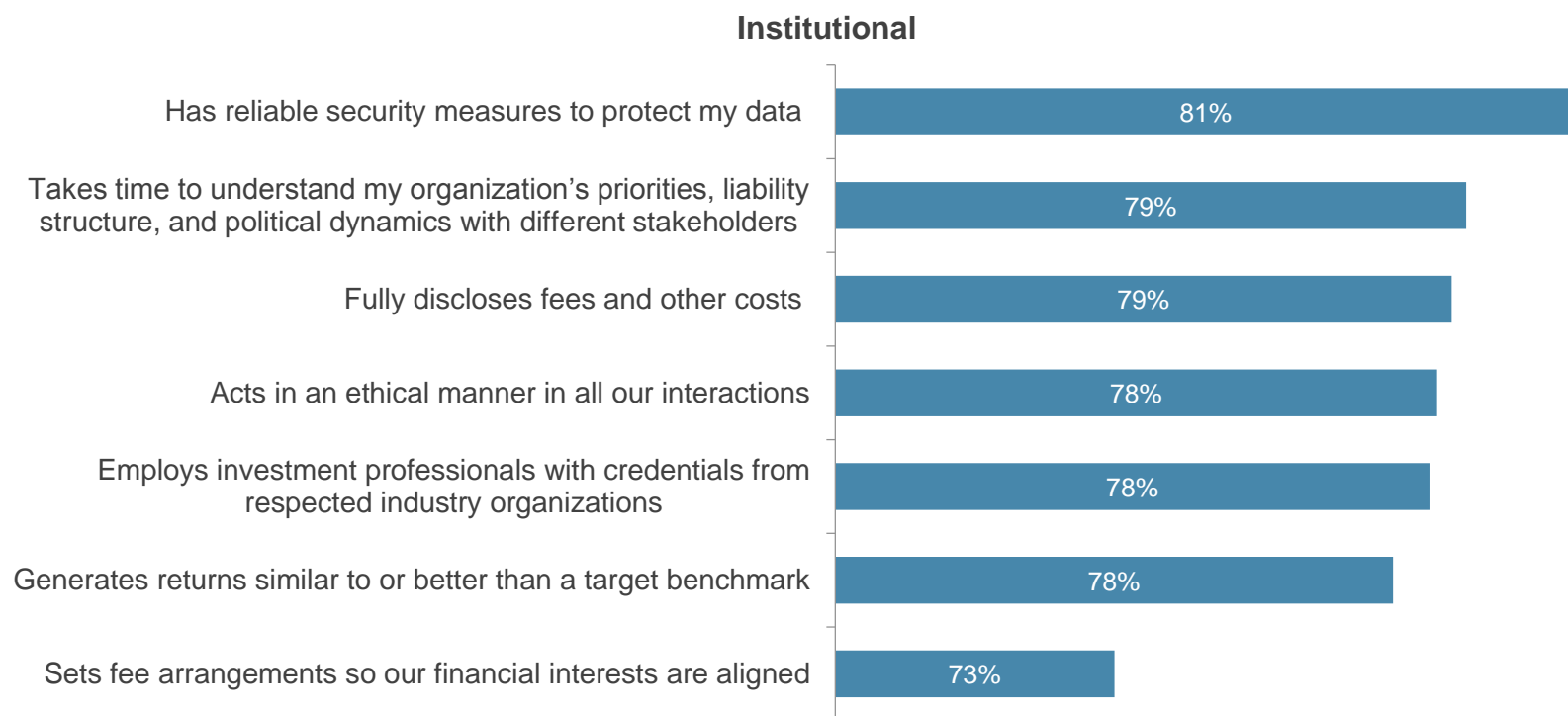
Key Factors in Creating Trust with Investment Adviser



Cyber-Security Matters More Than Fee Transparency

Generating returns that beat the benchmark remain important, but keeping data safe and acting in an ethical, transparent way matters more to the relationship

Key Factors in Creating Trust with Asset Manager



CFA Trust Equation



- Credentials
- Track record
- Code of conduct
- Brand

- Competency
- Values

35%

Retail

25%

Institutional

Believe their adviser/asset managers
always puts clients' interests first



What Creates Trust?



Dan Connell
Greenwich Associates



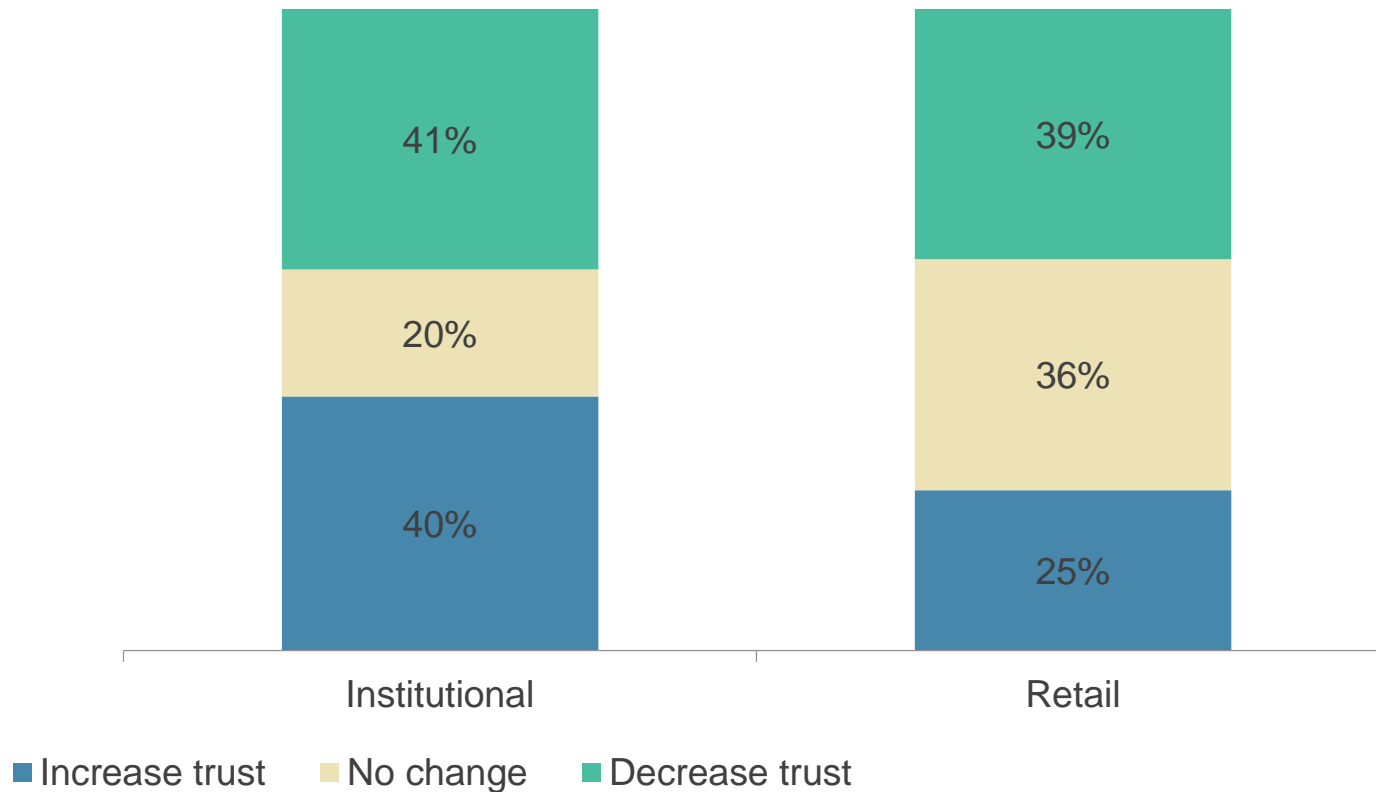
Kevin McPartland
Greenwich Associates



Rebecca Fender, CFA
CFA Institute

Trust In Asset Manager Answering “I Don’t Know”

Q: If You Asked Your Asset Manager an Investing Question and the Answer Was 'I Don't Know' How Would This Impact Your Trust in Them?



Base: Total Institutional (829)

Q26. If you asked your asset manager an investing question and the answer was 'I don't know' how would this impact your trust in them?



OK Not To Know?



Dan Connell
Greenwich Associates



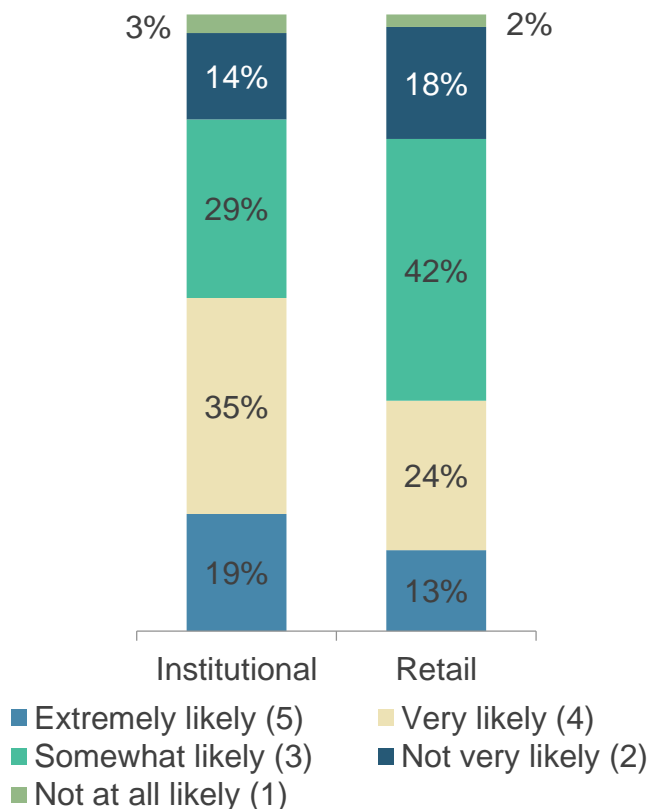
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Greenwich Associates



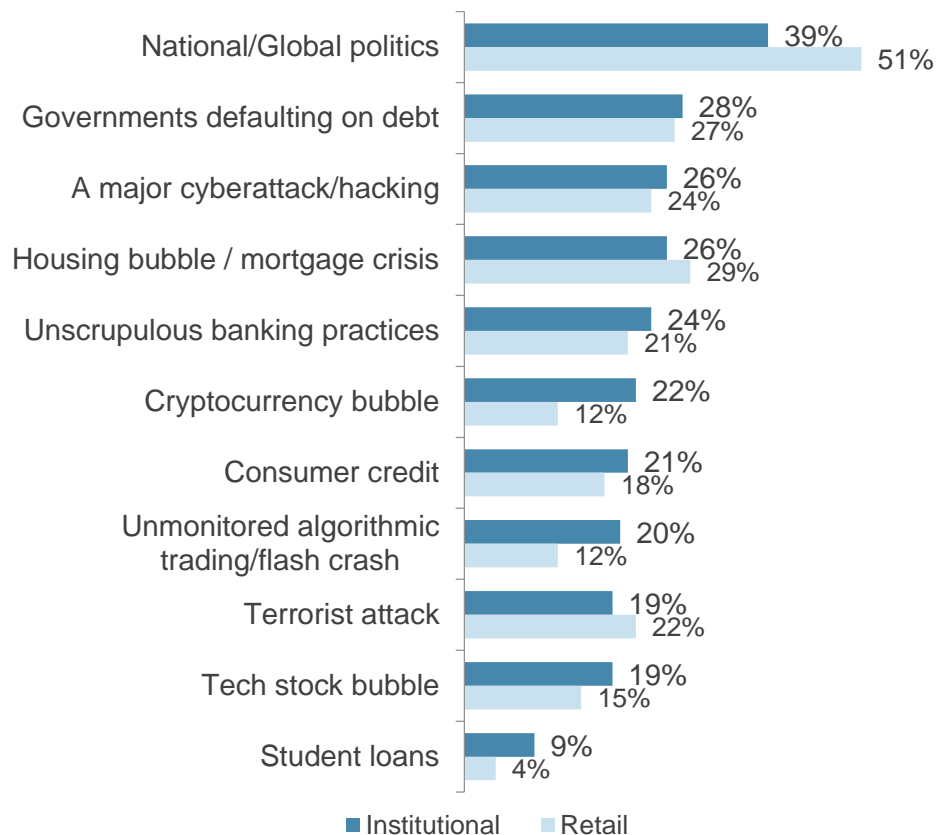
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Financial Crisis Concerns Rising Again

Likelihood of Potential Next Financial Crisis (Next 3 Years)



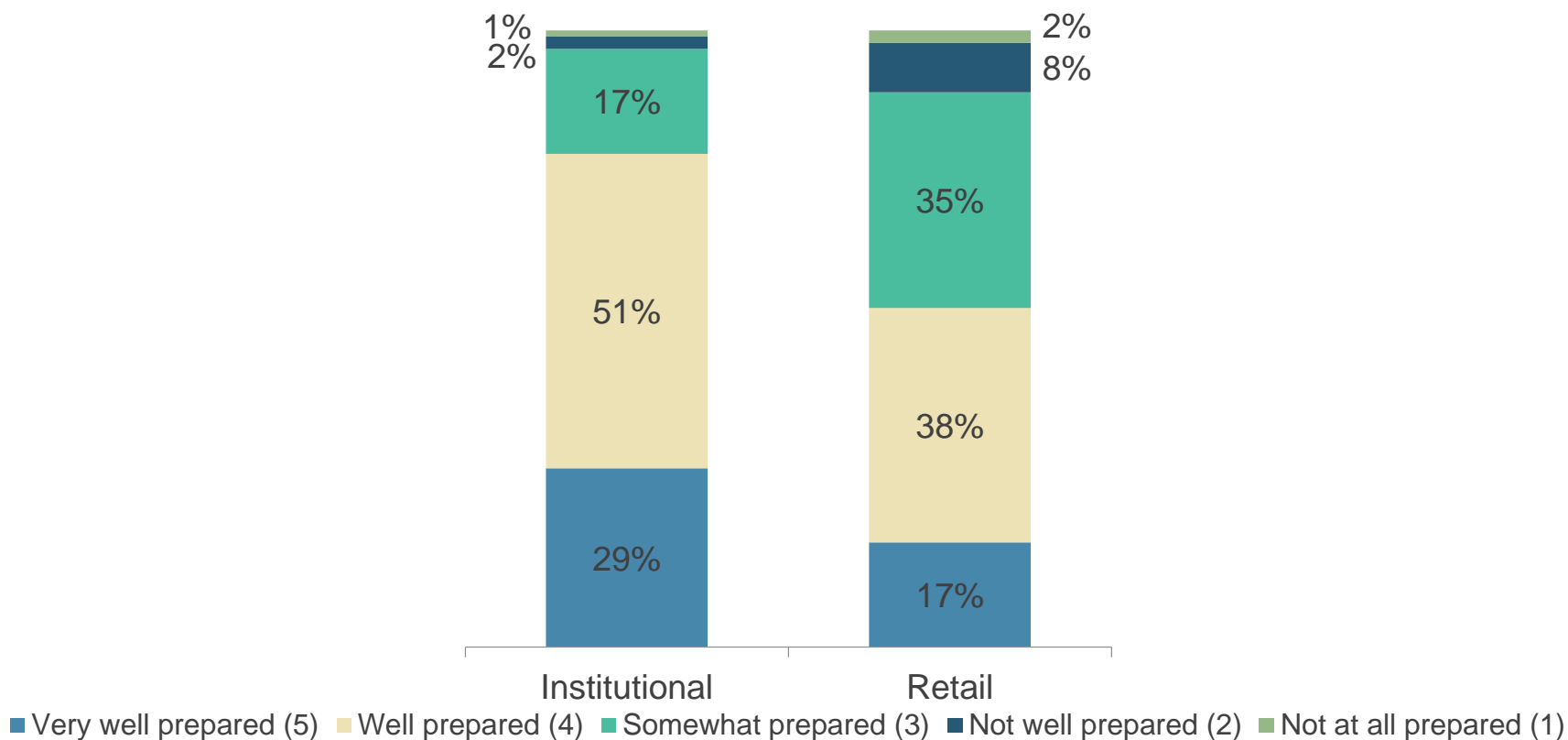
Source of Potential Next Financial Crisis



Base: Total Institutional (829)
 Q28. How likely do you think there will be another financial crisis in the next 3 years?

Institutional Investors Feel Prepared; Retail Investors Aren't So Sure

Preparation Level of Investment Managers For Financial Crisis



Base: Total Institutional (829)

Q32. To what extent do you think the investment management firm(s) you have invested with will be prepared to manage your portfolio through a financial crisis?



Expectations for Next Financial Crisis



Dan Connell
Greenwich Associates



Kevin McPartland
Greenwich Associates



Rebecca Fender, CFA
CFA Institute

Key Takeaways: 8 Steps To Increasing Trust



Source: CFA Institute

Contact Information

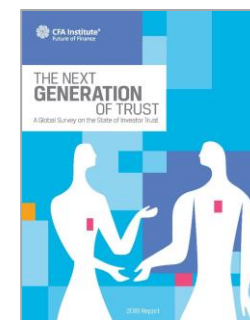


Dan Connell
Managing Director
Greenwich Associates
Direct: +1 203.625.4345
Email: Dan.Connell@greenwich.com

Kevin McPartland
Managing Director
Greenwich Associates
Direct: +1 203.625.4302
Email: Kevin.McPartland@greenwich.com



Rebecca Fender, CFA
Head, Future of Finance
CFA Institute
Email: rebecca.fender@cfainstitute.org
nextgentrust.cfainstitute.org



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