



FOR IMMEDIATE RELEASE

**SUSTAINABLE INVESTING: AN EFFECTIVE WAY FOR HIGH NET WORTH INDIVIDUALS (HNWIs) TO NAVIGATE THE FINANCIAL CRISIS**

*With a growth rate of 35% over the past two years, Eurosif's new study shows that HNWIs are integrating environmental, social and governance issues across their portfolios*

The share of sustainable investments in European High Net Worth Individuals' (HNWIs) portfolios has increased since the beginning of the current financial crisis even though overall family wealth has slightly contracted in the same period. The 2010 "High Net Worth Individuals and Sustainable Investment" Study published by Eurosif examines the sustainable investment strategies used by wealthy families in their asset allocations and the extent to which they integrate environmental, social and governance (ESG) issues into their investment decision-making and ownership practices.

The study was created with the support of Bank Sarasin and Highland Good Steward Management.

Based on a survey of wealth managers and family offices, Eurosif estimates the 2010 European HNWI Sustainable Investment market to be approximately €729 billion, representing an average of about 11% of European HNWIs' portfolios as of December 31, 2009. This is a growth rate of 35% over the two-year period since the data was previously collected. Following its research, Eurosif predicts that by 2013 the share will have increased to 15%, just below the €1.2 trillion mark.

Sustainable investment is now largely perceived by the European HNWI population as a financial discipline rather than an investment style, according to the study. William T. Mills III, Managing Partner of Highland Good Steward Management agrees that *"ESG integration is a financial discipline and not a standalone product; the industry must work with the best asset managers to fully integrate the ESG policies across a multitude of asset classes, strategies, and products"*.

The main drivers of demand for sustainable investment among European HNWIs are responsibility, financial opportunity and the search for sustainable return. Sustainable investment is clearly no longer seen as an alternative to philanthropy, with less than 10% of European families mentioning it as a factor when investing sustainably.

Another important finding is the share of sustainable investment products in families' portfolios. Confirming the trend revealed by the 2008 edition of the study, once the families begin to invest in sustainability offerings, 'toe-dipping', they tend to dedicate increasing portions of their portfolios to the SRI field.

Dr. Burkhard P. Varnholt, Chief Investment Officer and Member of the Executive Committee of Bank Sarasin states that *"in the context of the current financial crisis, sustainable investments not only prevented many clients from incurring greater losses, but even enabled them to achieve real added value during this turbulent period."* Indeed, according to the Eurosif study, sustainable investments now represent more of a financial opportunity than in 2008, with more than 90% of the respondents assessing that their sustainable investments have performed better in light of the financial crisis. As one surveyed wealth manager puts it, *"the current market environment favours the shift towards sustainability."*

The Eurosif Executive Director, Matt Christensen, concluded that *"the initial 2008 HNWI study showed that offering sustainable investments in a wealth manager's portfolio was a means to capture new clients; the 2010 research shows that private banks will need to begin focusing on the retention of existing clients who are increasingly asking for more sustainable investment options from their managers."*



**The 2010 HNWI and Sustainable Investment Study is available for download by the general public as of September 7, 2010 on Eurosif's website.**

Eurosif (the European Sustainable Investment Forum) is a pan-European network and think-tank of national Sustainable Investment Forums whose mission is to Develop Sustainability through European Financial Markets. Current affiliate members of Eurosif include institutional investors, financial service providers, academic institutes, research associations and NGOs.

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