

THE NEXT GENERATION OF TRUST

8 Steps to Increasing Credibility and Professionalism at Your Firm

The investment industry is competitive and changing quickly, but investor trust remains a foundational element for success. The good news is that there are ways to increase trust. In turn, these actions will create a more professional industry, one that is worthy of greater trust from current and future investors—and has the capacity to build greater wealth and well-being as a result.



CREDIBILITY

- 1 Maintain strong brand identity and follow through on brand promises

Brand is becoming a more important method of establishing credibility, and is increasingly becoming a proxy for trust.

THE IMPORTANCE OF BRAND TO INVESTORS

IN 2016: **33%** IN 2018: **46%**

- 2 Employ professionals with credentials from respected industry organizations

INVESTORS THAT BELIEVE IT IS IMPORTANT FOR INVESTMENT PROFESSIONALS TO HAVE CREDENTIALS

RETAIL	73%
INSTITUTIONAL	78%

- 3 Stay focused on building a long-term track record to demonstrate competence and deliver value for money

74% **RETAIL INVESTORS** feel strongly that fees should reflect the value they get from their relationship with their investment adviser, but only **41%** are currently satisfied.

73% **INSTITUTIONAL INVESTORS** indicate that it is important that firms set fee arrangements so everyone's financial interests are aligned, and **69%** report being satisfied in this regard.



- 4 Adopt a code of conduct to reinforce your firm's commitment to ethics

TRUST OF A POTENTIAL INVESTMENT ADVISER OR FIRM IN COMMITMENT TO ETHICAL CONDUCT

70%

of global institutional investors say an investment firm that adheres to a voluntary code of conduct for the industry would increase trust.

PROFESSIONALISM

5 Improve transparency and clarity regarding fees, security, and conflicts of interest

RETAIL

84%

INSTITUTIONAL

79%

Investors worldwide indicate that having fees and other costs fully disclosed to them is important in their relationships with investment professionals.

6 Use clear language to demonstrate that client interests come first

An overwhelming **80%** of retail investors agree on the importance of providing investment reports that are easy to understand, though only **51%** of retail investors surveyed are satisfied.

80%

51%

7 Showcase your ongoing professional development to improve investment knowledge

RETAIL

79%

INSTITUTIONAL

86%

Investors worldwide agreed they would trust their adviser more if the investment staff performed continuing professional development.



8 Demonstrate your dedication to the values that clients hold dear

RETAIL

1/3

INSTITUTIONAL

1/4

Given the importance that investors place on aligning interests, it is concerning that approximately **ONE-THIRD** of retail investors and **ONE-FOURTH** of institutional investors think their investment adviser or firm consistently puts their interests first.

ABOUT THE SURVEY

The Next Generation of Trust data collection was conducted by research firm Greenwich Associates and consisted of a 15-minute, online survey conducted in November and December 2017. Learn more about the survey and read the full report at nextgentrust.cfainstitute.org.

ABOUT US

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