

DRAMATIC INCREASE IN FOCUS ON ESG INVESTING CANADIAN WEALTH MANAGERS AND FINANCIAL ADVISORS SAY

- Nearly all (96%) Canadian wealth managers and financial advisors say clients are increasing their focus on ESG credentials in their investment portfolios
- But 90% say there must be more investment in technology and systems to help them improve their understanding of the ESG and climate risk factors

Environmental, social and governance (ESG) issues are at the forefront of investors' considerations when looking at their portfolios, according to 96% of Canadian wealth managers, portfolio managers, financial advisors and financial planners who have seen slight (74% of survey respondents) or dramatic (22%) increases in clients scrutinizing their sustainability investment credentials. This is according to new global research* from Ortec Finance, the leading global provider of risk and return management solutions for professional investors.

The study among Canadian wealth managers and financial advisors whose organizations collectively manage approximately \$370 billion, found the attention to ESG factors will intensify over the next 24 months with 82% of respondents expecting slight increases in client focus; 8% predicting dramatic increases; while 10% say the focus will stay the same.

When looking at climate change specifically, a third (34%) of Canadian wealth managers and financial advisors say they have seen a dramatic increase in client focus, while 62% have seen a slight increase. Just 4% have seen no change.

The research also reveals that 96% of Canadian wealth managers and advisors say investors are avoiding companies that have a harmful impact on the environment or that contribute to climate change.

While respondents show high levels of confidence in the existing systems and tools they use to review the ESG and climate risks of the funds and stocks that make up their clients' portfolios, nine in 10 of those surveyed (90%) agree that the wealth management/portfolio management industry needs to invest heavily in new technology to help improve their understanding of those risks.

Ronald Janssen, Managing Director Goals-Based Planning at Ortec Finance said: “Private investment is critical to ensuring the world is able to meet its commitment to net zero carbon emissions by 2050 and avert a climate crisis. It is encouraging that so many investors are increasing their focus on ESG issues and actively avoiding companies that contribute to climate change. But Canadian advisors need the right technology and systems if they are to fully support their clients in investing for good. Ortec Finance has long been supporting the industry with scalable solutions with the Goals-Based Investing approach that enable them to manage clients’ investments more efficiently and deliver more value to those clients, particularly on ESG issues.”

For banks and wealth managers seeking to scale Goals-Based Investing, Ortec Finance is the proven industry leader in simplifying the complexity of investment decision-making resulting in superior client engagement. Find out more:

<https://www.ortecfinance.com/en/insights/product/opal>

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Notes to editors:

*Independent research company PureProfile interviewed 50 wealth managers and financial advisors located in Canada, whose organizations collectively manage around \$370 billion worth of assets for clients. The survey was conducted during June 2023.

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About Ortec Finance

Ortec Finance is the leading provider of technology and solutions for risk and return management. It is Ortec Finance’s purpose to enable people to manage the complexity of investment decisions.

This is accomplished via the delivery of leading technologies and solutions for investment decision-making to financial institutions around the world. Ortec Finance’s strength lies in an effective combination of advanced models, innovative technology, and in-depth market knowledge. This combination of skills and expertise supports investment professionals in achieving a better risk-return ratio and thus better results.

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