

PRESS RELEASE: Clients let down by wealth management industry's lack of tools providing insight into ESG and climate risks

- *Nearly nine in ten (85%) wealth managers and financial advisors agree that the focus from clients on the ESG credentials of their investment portfolios will increase over the next 24 months*
- *Just 1% of those surveyed believe they have 'very effective' tools and systems to review ESG and climate risk of clients' funds, stocks or portfolios, study finds*

London, June 20 2024 – New global research* from Ortec Finance, the leading global provider of risk and return management solutions for professional investors, shows that clients are increasingly focusing on the ESG credentials of their investment portfolios. But many wealth managers and financial advisors do not have the tools and systems needed to effectively track and manage ESG and climate risks and the industry needs to invest heavily to improve.

Around 90% questioned in the study with wealth managers and financial advisors whose organizations collectively manage approximately £1.207 trillion said they are seeing more clients focusing on the ESG credentials of their investment portfolios, with 12% reporting a dramatic increase.

This is set to increase further still, with almost nine in ten (85%) agreeing that the focus from clients on the ESG credentials of their investment portfolios will increase over the next 24 months. Only 14% believe this focus will stay the same over the next 24 months as it is today.

Nine in ten (93%) of those surveyed say they are seeing more clients who want to avoid funds and stocks that invest in companies and sectors that are harming the environment or contributing to climate change. Around eight in ten (83%) of those surveyed say they are seeing more clients focusing on the climate risk their investment portfolios are potentially exposed to, with 38% of these saying they are seeing a dramatic increase.

However, despite the client focus on the ESG elements of their portfolio, only 1% of those surveyed say they have 'very effective' systems and tools to review the ESG or climate risk of clients' funds, stocks or portfolios. A further 71% say their tools and systems are 'quite effective' and over one in four (27%) only rate their tools and systems to review and monitor ESG and climate risk for clients as 'average'.

Overwhelmingly, more than nine out of 10 (94%) of those surveyed agree that the wealth and portfolio management industry needs to invest heavily in new technology and systems to help improve their understanding of the ESG and climate risk factors posed to the investment portfolios of their clients, as well as to funds and stocks in general.

Tessa Kuijl, Managing Director Global Wealth Solutions at Ortec Finance said:
“Wealth managers and financial advisors must be equipped with the right tools and systems to effectively analyse and fully understand the extent to which their clients are exposed to ESG and climate-related risks, particularly as this is an area which clients are only planning on focusing more on in the next few years. Our research shows that many advisors across the sector feel that they don’t have the right tools, systems and resources to do this so it’s vital that organizations invest to equip themselves and their clients to make the most informed investment decisions.”

Ortec Finance provides wealth managers and financial advisors with scalable solutions that enable them to manage clients more efficiently and deliver more value to those clients. Its OPAL Planning tool supports banks, advisors and wealth management firms to translate client’s financial goals into an optimal investment strategy – providing forward-looking insights into whether clients are on-track regarding their investment objectives. Together with a fully integrated cash flow planning tool for a holistic view of the client situation, the OPAL Planning tool addresses both income and investment risk. Find out more:

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

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Notes to editors:

*Independent research company PureProfile interviewed 100 wealth managers and financial advisors located in the UK, Canada, Italy, the Netherlands, Germany and Switzerland whose organizations collectively manage around £1.207 trillion worth of assets for clients. The survey was conducted during April 2024.

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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 and real estate 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.

Headquartered in Rotterdam, The Netherlands, Ortec Finance has offices in Amsterdam, London, Zurich, New York, Toronto, Singapore, and Melbourne. Ortec Finance helps 600+ clients manage their \$15 trillion assets under management.