

DAY 2 OF SUSTAINABLE FINANCE WEEK EXAMINES IMPACT OF FAMILY OFFICES ON SUSTAINABLE INVESTING

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Experts from across the private wealth space discussed the difficulties but also the opportunities of balancing a just transition with net zero ambitions at the second day of Guernsey Finance's Sustainable Finance Week.

Day two examined the motivations and drivers of owners of private capital, looking specifically at the impact of family offices on sustainable investing.

In summing up the morning's events, Giles Neville of Cazenove Capital, the sponsor of day two, said: "What we need to do as an industry, is do the right thing and do it in a transparent way. Avoid greenwashing. And I think the most important word that had recurred this morning, is to do it with intention."

Another key takeaway from the discussions was how institutions are largely focused on and driven by regulations, principles and voluntary disclosures. There is a growing expectation from the market and LPs [limited partners] that institutions should be considering these principles and disclosures.

However, delegates noted that families, high net worth individuals and private investors are much more driven by the impact their investments can make.

Rennie Hoare of C. Hoare & Co., a family-owned private bank, says the trend now is towards impact investing and building in impact across the whole portfolio rather than putting a small portion of capital towards philanthropy.

Families can be intentional with their impact investing, he added.

"Private families have the opportunity to be passionate about a topic and they can think about how to bring in more capital into a particular social or environmental challenge."

Oliver Gregson of J.P.Morgan Private Bank identified five key drivers creating change in sustainable investing – our changing world, investor preferences, public policy, risk and return, and greater availability of sustainable projects in which to invest.

He said the risk and return agenda has moved on leaps and bounds, with profit no longer the primary driver for private clients. Investors now understand this is what good looks like going forward. He added that companies with high ESG [environmental, social and governance] ratings see better returns and experience lower risk.

Giles Neville added: "The trend towards sustainable investing might have been catalysed by the younger generation but investors across all ages are understanding its positive impact."

With a 30-year career in investment banking behind her, Marisa Drew of Credit Suisse, who described herself as 'evangelical' on ESG, said it would be a wonderful legacy to take her experience to mobilise capital to sustainability.

Barnaby Molloy, a director of event organiser Guernsey Finance, agreed with that sentiment, adding: "When Guernsey Green Finance was formed back in 2018 it was our intention to use the island's five decades of expertise as a specialist financial services centre to translate our skillset across to the sustainable space and create a positive legacy for Guernsey in the mobilisation of capital flows.

"The positive response we have had to our Sustainable Finance Week event from across the globe demonstrates how successful that aspiration has been so far."

Mr Molloy added: "What has been really wonderful over the past two days is how our guests, beaming in from all corners of the globe, were so excited to see that we can host a physical event here in Guernsey."

The third and final day of Sustainable Finance week, which takes place on Thursday 10 June, focuses on the insurance industry.

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