



## Younger Investors Prefer Assets that Align With Values and Sustainable Practises

by Tom Bleach © November 24, 2022

*According to a recent survey, younger investors are placing increasing emphasis on sustainable investments. Findings also reveal that younger*

*generations of investors are more likely to invest in assets complying with personal values beliefs.*

**Lombard Odier**, a wealth and asset manager providing wealth planning solutions, has revealed results from its latest survey. Its '*Middle East investor views 2022*' survey examines the investment habits of the next generation of investors.

The survey, which involved 300 high-net-worth individuals (HNWIs), reveals that younger investors seek **investments** that comply with their values. Of the 300 respondents, 200 were under the age of 40. The results suggest that younger investors are more likely to look at Islamic and sustainability-focused assets while also seeking a wealth management partner that shares their investment values and principles.

Ninety-one per cent of younger investors in the Middle East already allocate to Islamic investments. Eighty-eight per cent of the same investors also plan to increase their allocations to more sustainable assets. The importance of value-based assets that are Shariah-compliant and sustainable appears to become consistently more important.

**Arnaud Leclercq**, partner holding privé and head of new markets at **Lombard Odier**, shared his views on the findings. Leclercq explained: "The latest results from our *Middle East investor views 2022* survey reveal a consensus emerging between older and younger investors in several areas, but specifically in values-based investing.



*Arnaud Leclercq, partner holding privé and head of new markets at Lombard Odier*

“The next generation’s enthusiasm for Islamic and sustainable investing, and their keenness to work with expert financial advisors that share their values, is very encouraging.

Seventy-three per cent of surveyees believed it is possible to get improved returns through ventures that encourage moves towards a net-zero economy. Similarly, 74 per cent thought that new business opportunities are to be found in sustainable sectors.

### **Differing views and aims of younger investors vs older investors**

The report also noted other differences between the responses of younger investors compared to those over the age of 40. There appears to be a difference in the aims between the two age groups when investing. Forty-five per cent of younger investors placed focus on improving their lifestyle and remaining wealthy. On the other hand, 16 per cent of investors placed emphasis on this, with a higher proportion being interested in their financial and reputational legacy.

Lombard Odier’s survey also looked at where younger investors hold their investments. The vast majority (89 per cent) of the youngest HNWIs currently hold all assets in the Middle East. These respondents also displayed intent to keep assets there for at least over the next five years. The remainder (11 per cent) keep their assets in Europe (five per cent), North America (4 per cent) and Asia Pacific (2 per cent).

Arnaud Leclercq also commented on these findings. He said: “We also observed a keen focus on regional investing, highlighting the sheer opportunity the Middle East offers for maintaining and accumulating greater wealth.

“At Lombard Odier, helping businesses to plan, organise, protect and transfer their wealth is shaped

by half a century's experience in the Middle East. We look forward to using that experience to help the next generation plan their future with confidence."