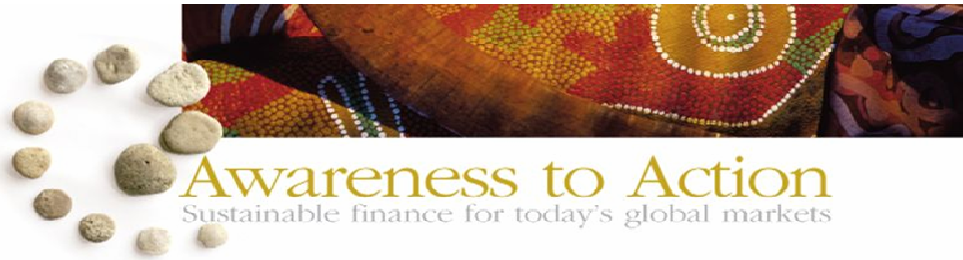




Session Summary

DAY 2 Thursday 25 October	
Session Details	Workshop 2.2.1 “Unlocking Value in Private Banking ” 10:40am – 12:10pm
Speakers	<ul style="list-style-type: none"> • Greg Chipman, Founder & Partner, Chipman James & Company • Miles Ashton, Head of Sales, Private Investor Products Asia, ABN AMRO Bank • Rashmi Mehrotra, Principal, Mercer Investment Consulting • Moderator: Leo Johnson, Co-Founder, Sustainable Finance
“Unlocking Value in Private Banking ”	
<p>Marketing difficulties, performance measurement uncertainty and lack of advisor competency emerged as key challenges for the eco-friendly private banking sector, at the UNEP FI Roundtable in Melbourne today.</p> <p>“There’s a significant mismatch between the awareness of (business benefits) and product delivery to the market,” said Greg Chipman, founder of Chipman James and Company.</p> <p>While lack of advisory competency is “by far and away” the biggest market impediment, its not limited to eco-products but extends “right across the board,” said Mercer’s Rashmi Mehrotra.</p> <p>Best growth will continue in sustainable bonds, ‘green’ hedge funds in commodities and trading markets, sustainable housing and alternative fuels, said Mr. Chipman.</p> <p>The global renewable energy market is growing dramatically, with a 2006 turnover of US \$38 billion, up 26 per cent on the previous year.</p> <p>“Many people believe this is going to be a long lasting trend,” said Miles Ashton, Head of Sales at ABN AMRO.</p> <p>And private investors will continue to prefer environmental issues such as climate change over other socially responsible issues, said Mr. Ashton.</p> <p>To make the most of growing markets, the roundtable advised increased marketing emphasis.</p> <p>“It’s a sellers’ market, not a buyers’ market,” said Ms. Mehrotra.</p>	

UNEP FI Global Roundtable
24-25 October 2007, Melbourne Park Function Centre



But Ms. Mehrota warned marketing must be specific. "It's not just a matter of taking what you learn in an institutional space and applying it to a retail space- there's a huge difference".

Best marketing would pitch to high and low risk portfolio areas to engage all categories of consumers, Ms. Mehrota said.

And engaging generations X and Y would ensure success as wealth transfers to younger generations.

But while environmentally sustainable products are booming as niche markets, they are unlikely to become mainstream in the near future.

And private investors are slower to take up green products than institutions, the Roundtable found.

"The strides being made in institutional markets, at present, aren't being reflected in private banking," said Mr Chipman.

Shifting consumer perceptions of lower return and emphasising follow-on benefits is crucial, said Sasja Beslik, Asset Manager at ABN AMRO.

"Clients think they have to suffer less return for investing in these products... but environmental and social returns have impact on financial returns," he said.

"It makes sense to invest in something that will support your other investments and lower their risk...without water, your housing investment is worth nothing."

But while return remains the private investors' primary motive, investors tend to stay with eco-products for longer.

"They do have greater 'stickiness', because of the feel good factor," said Mr. Chipman.