

**1. INVESTOR BIASES**

These cognitive and emotional biases can shape client perceptions and decisions.

BIAS	HOW IT SHOWS UP	RISK TO CONVERSATIONS
CONFIRMATION BIAS	Seeks information that reinforces existing beliefs (e.g., headlines, social media, political views).	Conversations become ideological instead of focused on the client's financial objectives.
AVAILABILITY BIAS	Recent news or events (e.g., oil spikes, ESG controversies) drive perceptions.	Short-term events are overweighted and may lead to reactive or extreme conclusions.
MORAL LICENSING BIAS	Assumes ESG-labeled investments are automatically "good" or low risk.	Leads to less scrutiny on fees, holdings, diversification and suitability.
IMPACT ILLUSION BIAS	Overestimates the real-world impact of public market investing.	Unrealistic expectations about impact measurements or outcomes.
LOSS AVERSION BIAS	Fear of underperformance compared to traditional investments.	Clients may abandon well-aligned long-term strategies during volatile periods.

**2. ADVISOR BIASES**

Advisors are not immune to bias. Awareness helps ensure objectivity and strong client outcomes.

BIAS	HOW IT SHOWS UP	RISK TO CLIENTS OUTCOMES
PERSONAL VALUES BIAS	Personal beliefs may unconsciously influence recommendations or conversations.	Client preferences may be overshadowed; trust and suitability can be impacted.
SIMPLIFICATION BIAS	Overly simplifying complex sustainability topics or making broad generalizations.	Leads to incomplete or misleading explanations.
PRODUCT FAMILIARITY BIAS	Recommending strategies or products you know best, not necessarily what fits the client best.	Limits exploration of better-aligned options and solutions.
FEAR / AVOIDANCE BIAS	Avoiding sustainability conversations due to politicization, uncertainty or lack of confidence.	Missed opportunities to understand client needs and strengthen relationships.

**3. COMMUNICATION DISCIPLINE: HOW TO STAY OBJECTIVE AND HELPFUL**

LISTEN ACTIVELY Understand the client's priorities, concerns and context before offering perspectives.	ASK OPEN, CURIOUS QUESTIONS Encourage exploration. Avoid leading questions or assumptions.	PROVIDE CONTEXT, NOT CONCLUSIONS Share facts, trends and scenarios – avoid stating your personal opinion as a conclusion.	EXPLAIN TRADE-OFFS CLEARLY Discuss potential risks, returns, liquidity and impact – there are always trade-offs.	STAY CLIENT-CENTRIC Your role is to guide and support decision-making, not to persuade or promote an agenda.
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**4. LANGUAGE TO AVOID (AND WHAT TO SAY INSTEAD)**

AVOID SAYING...

- ✗ "This is the right thing to do."
- ✗ "This portfolio is fully sustainable."
- ✗ "This investment creates impact."
- ✗ "ESG companies outperform."
- ✗ "There is no trade-off."



INSTEAD, CONSIDER SAYING...

- ✓ "This approach may align with your stated preferences."
- ✓ "This strategy incorporates sustainability considerations."
- ✓ "This investment seeks measurable impact outcomes."
- ✓ "Performances can vary across market cycles and strategies."
- ✓ "Every approach has potential trade-offs we should consider together."

**5. KEY TAKEAWAYS**

AWARENESS IS PROTECTION.
Understanding biases helps you avoid blind spots and build trust.



CLIENTS HAVE DIFFERENT LENSES.
Respect their perspective and meet them where they are.



OBJECTIVITY BUILDS CONFIDENCE.
Balanced, transparent conversations lead to better decisions.



CLARITY > COMPLEXITY.
Simple, relevant, and honest explanations are more powerful than jargon.

QUICK REMINDERS

Your role is to guide, not to persuade.



Focus on the client's goals, time horizon and risk tolerance.



Differentiate facts from opinions and market noise.



Empathy + objectivity create better outcomes for your clients.



Stay curious, stay balanced, stay client-centric.



Bias is human. Awareness is a choice. Great advice is objective, relevant, and client-focused.

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 LOSS AVERSION BIAS	Fear of underperformance compared to traditional investments.	Clients may abandon well-aligned long-term strategies during volatile periods.

- Explore motivations before discussing investment solutions.
- Challenge assumptions with balanced information.
- Separate recent events from long-term trends.
- Set realistic expectations about impact outcomes.
- Reinforce diversification and long-term discipline.

ADVISOR BIAS

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- Recognize personal biases and assumptions
- Understand client values may differ
- Identify sustainability risks and opportunities
- Connect sustainability to financial outcomes
- Know when to seek expertise

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