



TRENDING CONVERSATIONS™

2016 GLOBAL INVESTMENT SURVEY

REGIONAL RESULTS MILLENNIALS

January 2016



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COMPARATIVE COUNTRY RESULTS

	GLOBAL TOTAL	US	AUSTRALIA	EUROPE	ASIA	LATIN AMERICA
% working with a Financial Advisor						
Yes	66	76	65	60	65	55
Allocation of investment assets (avg. %)						
Cash/Cash equivalents	24	22	19	23	25	25
Equities	19	18	13	18	20	13
Investment real estate	18	16	36	20	18	21
Fixed Income	17	14	11	15	17	15
Non-Traditional Investments	9	11	11	10	8	12
Gold or other precious metals	9	11	8	9	9	9
Other	4	8	2	6	3	7

G1: Do you work with a professional financial advisor?

A1: As best as you can estimate, please indicate the allocation of your assets across the categories below.



COMPARATIVE COUNTRY RESULTS

	GLOBAL TOTAL	US	AUSTRALIA	EUROPE	ASIA	LATIN AMERICA
Top three investments that offer the best opportunities over next 12 months (%)						
Domestic stocks	72	68	63	53	76	41
International stocks	40	43	52	55	38	58
Domestic bonds	39	51	32	37	37	33
Cash	37	44	37	40	36	17
Gold or other precious metals	32	23	23	24	35	30
International bonds	30	36	22	33	28	35
Real estate	28	13	42	24	30	38
Non-traditional investments	22	22	30	34	20	49
% of equity portfolio invested in ETFs						
1+ invested in ETFs/Passives	91	97	82	86	90	91
% worried about understanding products invested in						
Strongly agree	28	49	25	34	21	65
Somewhat agree	44	24	60	39	49	30
Somewhat disagree	21	13	12	16	25	3
Strongly disagree	7	14	3	11	5	2

A2: Which three (3) of these investments do you believe offer the best opportunities over the next 12 months?

A2a: What proportion of your equity is currently invested in ETFs?

A3: Please indicate your level of agreement with the following statements.



COMPARATIVE COUNTRY RESULTS

	GLOBAL TOTAL	US	AUSTRALIA	EUROPE	ASIA	LATIN AMERICA
Primary goals when investing (%)						
Enabling to enjoy a comfortable life	68	52	58	50	74	55
Save for children's/ family's education	38	27	37	27	42	29
Building a retirement nest egg	32	36	28	46	29	36
Save to buy a home or new home	29	30	25	31	28	29
Ability to retire early/quit job	28	45	37	25	24	34
Building an inheritance for my children/heirs	26	34	18	26	24	33
Starting a business	22	37	22	19	18	43
None of the above	2	1	3	2	2	–

G2: What are your primary goals when investing?



COMPARATIVE COUNTRY RESULTS

	GLOBAL TOTAL	US	AUSTRALIA	EUROPE	ASIA	LATIN AMERICA
Optimism about investments in next year (%)						
Somewhat/ Very optimistic	82	99	82	71	80	89
Issues that will derail investment progress (%)						
Global economic instability	23	27	22	28	22	17
Inflation	21	9	15	13	24	24
Economic instability in my own country	17	21	18	18	16	31
Increasing market volatility	17	15	12	15	18	16
Rising interest rates/yields	12	17	13	13	11	8
Deflation	5	4	5	8	5	4
I am not concerned	5	7	15	5	5	–

G3: Thinking about your investment portfolio in the coming year how optimistic are you regarding your investments?

G4: Thinking about your investment portfolio in the coming year; which of the following are you most concerned will derail your progress?



COMPARATIVE COUNTRY RESULTS

	GLOBAL TOTAL	US	AUSTRALIA	EUROPE	ASIA	LATIN AMERICA
Long term investing timeframe (%)						
Less than 6 months	2	5	–	1	1	2
6 months to less than a year	10	7	3	2	12	3
1-2 years	23	13	10	13	26	20
2-5 years	26	18	20	24	28	24
5-10 years	25	31	28	37	22	31
10-20 years	9	13	22	17	7	16
20-30 years	3	9	12	4	1	4
30 or more years	1	2	2	1	–	1
I don't know	2	2	3	2	2	–

G5: When people talk about "long term investing", what timeframe do you typically think of?



COMPARATIVE COUNTRY RESULTS

	GLOBAL TOTAL	US	AUSTRALIA	EUROPE	ASIA	LATIN AMERICA
% focused on short term vs. long term (%)						
Much more focused on the short term	13	31	3	10	10	17
Somewhat more focused on the short term	33	16	25	27	37	31
Somewhat more focused on the long term	40	25	47	49	42	36
Much more focused on the long term	14	28	25	13	11	16
Rate of return you are expecting on your total investment portfolio (%)						
Average	11.3	13.6	8.7	8.4	11.0	12.7
Actual rate of return on portfolio in 2015 (%)						
Average	9.9	11.8	7.6	6.8	9.9	9.8

G6: Thinking about your overall portfolio, would you say you are more focused on the short term or long term?

G7: Please indicate the rate of return you are expecting on your total investment portfolio, in terms of average annual return.

G8: What rate of return did you get on your portfolio in 2015?



COMPARATIVE COUNTRY RESULTS

	GLOBAL TOTAL	US	AUSTRALIA	EUROPE	ASIA	LATIN AMERICA
% comfortable with making investment selections based on advice received online with						
Your professional financial advisor	87	94	80	83	86	89
Family/friends/co-workers	84	90	77	78	84	76
Financial news/major media organizations	74	93	77	80	70	82
Forums, blogs posts & alternative media	74	84	63	69	73	66
Online platform (robo-advisor)	59	86	68	70	52	75
% that trust the same sources of advice above						
Your professional financial advisor	87	94	83	83	86	89
Family/friends/co-workers	82	89	72	77	82	76
Financial news/major media organizations	76	92	77	80	73	78
Forums, blogs posts & alternative media	70	83	67	64	68	61
Online platform (robo-advisor)	63	82	62	65	59	71

G9: How comfortable are you with making investment selections based on advice you receive online from each of the following sources?

G10: Thinking about the same sources of advice, how much do you trust the following?



COMPARATIVE COUNTRY RESULTS

	GLOBAL TOTAL	US	AUSTRALIA	EUROPE	ASIA	LATIN AMERICA
Impact of the following on decision-making about investments (%)						
Major movements in your domestic stock market indices	57	62	47	47	57	63
Central bank decisions on interest rates	60	66	47	50	60	63
Major movements in international stock market indices	52	57	33	49	50	64
Economic indicators such as employment statistics, wages, corporate profits or GDP	37	54	38	42	31	61
Amount needed in retirement to enjoy the life you plan to have (\$)						
Median	312,500	1,000,000	714,286	250,000	312,500	303,030
Realistic amount of money saved by retirement (\$)						
Median	312,500	650,000	571,428	250,000	243,902	243,902

G11: How much of an impact do each of the following have on your decision-making about your investments?

G12: Below, please indicate the rate of return you are seeking to get on your income producing investments?

G13: What rate of return are you actually getting on your income producing investments?



COMPARATIVE COUNTRY RESULTS

	GLOBAL TOTAL	US	AUSTRALIA	EUROPE	ASIA	LATIN AMERICA
What do you think you may end up doing with the extra savings you'll have in your retirement (%)						
Travel and take more vacations	69	68	35	53	70	69
Leave the money for my heirs	33	46	25	39	31	46
Live larger and spend more on everyday expenses	37	29	45	26	38	49
Gift money to charities	27	29	20	25	27	22
Make dream purchases (such as a boat or luxury/sports car)	30	25	20	26	31	35
Gift money to my family and friends	25	36	35	21	23	24
Invest in start-ups or a new business	22	25	45	20	21	35
Buy a larger, more expensive primary home	34	46	45	22	33	32
Buy a vacation property	24	39	40	25	22	35
None of the above	3	4	5	4	3	1

G14a: What do you think you may end up doing with the extra savings you'll have in your retirement?



COMPARATIVE COUNTRY RESULTS

	GLOBAL TOTAL	US	AUSTRALIA	EUROPE	ASIA	LATIN AMERICA
What do you think you may end up doing to cover the shortfall in your retirement? (%)						
Travel less and taking fewer vacations	26	29	26	25	26	31
Work a part-time job	24	13	23	18	28	16
Sacrifice my quality of life and cut back on everyday expenses	25	21	19	29	25	26
Work longer than I had planned	24	37	42	34	16	45
Rent out my home	25	15	16	11	31	14
Move to a lower cost-of-living market	14	15	19	18	12	21
Borrow from the equity in my home	22	27	13	12	23	7
Sell or downsize my home	18	23	29	22	16	14
Move into a smaller home	16	21	26	24	14	11
Move in with family or friends	17	15	13	13	19	2
Borrow from family and friend	7	25	6	10	3	1
None of the above	13	25	10	9	11	9

G14b: What do you think you may end up doing to cover the shortfall in your retirement?



COMPARATIVE COUNTRY RESULTS

	GLOBAL TOTAL	US	AUSTRALIA	EUROPE	ASIA	LATIN AMERICA
Being able to access the equity in my home is very important to my retirement planning (%)						
Strongly agree	43	65	30	38	39	54
Somewhat agree	51	29	55	52	56	37
Somewhat disagree	4	3	10	8	4	6
Strongly disagree	1	3	5	3	1	2

G15: Level of agreement with: Being able to access the equity in my home is very important to my retirement planning.



COMPARATIVE COUNTRY RESULTS

	GLOBAL TOTAL	US	AUSTRALIA	EUROPE	ASIA	LATIN AMERICA
Rate of return you are seeking on your investments (%)						
Average	10.2	10.3	7.9	7.3	10.5	10.7
Rate of return you are actually getting (%)						
Average	8.5	9.6	7.3	5.8	8.5	8.3
Average gap between desired rate and actual rate of return (%)						
Average	1.7	0.7	0.6	1.5	2.0	2.4

A4: Below, please indicate the rate of return you are seeking to get on your income producing investments.

A5: What rate of return are you actually getting on your income producing investments?

A4/A5: Rate of return actually getting minus rate of return seeking



COMPARATIVE COUNTRY RESULTS

	GLOBAL TOTAL	US	AUSTRALIA	EUROPE	ASIA	LATIN AMERICA
Feeling towards income generated by income producing investments over the next 12 months (%)						
Very optimistic	32	63	25	21	26	37
Somewhat optimistic	57	36	63	58	62	48
Somewhat pessimistic	10	1	8	19	11	12
Very pessimistic	2	–	3	2	2	3
Expectation of rising interest rates in their country (%)						
Within the next 6 months	15	28	13	6	13	27
6 months to 1 year	25	26	23	17	25	25
1-2 years	31	28	35	44	31	31
3-4 years	19	11	20	22	21	13
5 years or more	7	6	3	6	7	3
Never	3	1	5	4	3	1

A6: Thinking about your income producing investments, how do you feel about the income they will generate for you over the next year?

A7: When do you think interest rates are likely to rise in your country?



COMPARATIVE COUNTRY RESULTS

	GLOBAL TOTAL	US	AUSTRALIA	EUROPE	ASIA	LATIN AMERICA
% of investors with investments that are outside of home country						
1+ international investments	86	95	80	85	84	81
% of investments that are outside of home country						
Average	24	33	25	23	22	21
Will you be focused on international investments in the next year as compared to next year? (%)						
Strongly agree	35	56	22	23	32	36
Somewhat agree	48	34	50	54	51	44
Somewhat disagree	13	7	23	18	14	13
Strongly disagree	4	3	5	5	3	7

A8: What percentage of your investments (excluding real estate) are invested outside of your home country?

A9: Please indicate your level of agreement with the following statement.



COMPARATIVE COUNTRY RESULTS

	GLOBAL TOTAL	US	AUSTRALIA	EUROPE	ASIA	LATIN AMERICA
Major barrier to investing internationally (%)						
Global uncertainty	45	51	42	41	44	44
Currency risk	41	52	45	37	39	50
Don't understand the risks	35	23	18	19	40	20
Not enough transparency	30	27	20	23	32	20
Not familiar with opportunities	26	23	35	22	27	30
Not sure how to access overseas market	16	15	10	18	16	25
None of the above	5	9	7	4	5	5

A11: Which of the following do you consider a major barrier to investing internationally?



COMPARATIVE COUNTRY RESULTS

	GLOBAL TOTAL	US	AUSTRALIA	EUROPE	ASIA	LATIN AMERICA
Countries representing the best investing opportunities over the next 12 months (%)						
United States	50	–	37	42	60	67
Singapore	31	12	30	23	37	9
United Kingdom	29	37	27	20	29	25
Europe (Excluding UK)	29	52	22	20	26	34
Japan	27	31	25	29	25	36
Hong Kong	27	19	38	23	29	21
Australia	26	23	–	22	28	13
India	16	15	25	23	15	14
Russia	15	18	8	19	15	10
Brazil	14	25	15	22	11	13
Taiwan	14	9	13	12	16	5
China	12	37	47	31	3	38
Mexico	9	19	10	10	6	9
Other	1	3	2	1	–	3

A10: Of the countries/regions listed below which three (3) represent the best investing opportunities over the next 12 months?



COMPARATIVE COUNTRY RESULTS

	GLOBAL TOTAL	US	AUSTRALIA	EUROPE	ASIA	LATIN AMERICA
Overall risk tolerance when investing (%)						
Very conservative	14	42	22	18	7	27
Somewhat conservative	47	36	62	60	48	55
Somewhat aggressive	31	15	17	19	36	15
Very aggressive	8	7	–	3	10	3
More risk averse/conservative than one year ago (%)						
Strongly agree	20	51	25	23	13	30
Somewhat agree	58	33	55	53	64	43
Somewhat disagree	18	14	18	21	19	23
Strongly disagree	4	2	2	3	4	3

R1: How would you describe your overall risk tolerance when investing?

R2: Please indicate your level of agreement with the following statement.



COMPARATIVE COUNTRY RESULTS

	GLOBAL TOTAL	US	AUSTRALIA	EUROPE	ASIA	LATIN AMERICA
Countries/Markets having the highest investment risk (%)						
China	33	30	32	24	35	25
Russia	31	21	27	30	34	25
United States	26	29	35	20	26	23
Japan	26	16	12	10	31	11
Mexico	26	27	23	25	25	30
Brazil	25	12	22	25	27	39
India	23	17	13	19	25	20
Europe (Excluding UK)	21	26	17	19	20	25
United Kingdom	16	26	17	17	13	12
Hong Kong	13	15	8	11	13	13
Taiwan	11	19	12	13	9	16
Singapore	9	19	18	9	6	14
Australia	9	7	20	9	9	10
Other	–	–	–	1	–	–

R3: Which countries/markets do you associate with having the highest investment risk?



COMPARATIVE COUNTRY RESULTS

	GLOBAL TOTAL	US	AUSTRALIA	EUROPE	ASIA	LATIN AMERICA
Level of agreement with the following statements (%) total agree — T2B						
The recent increases and decreases in the financial market are nothing we haven't seen before	82	88	87	79	81	83
I worry the world economy is on the brink of another major financial crisis	79	73	80	72	80	83
I am confident that the markets will be able to handle another financial crisis, its to be expected	85	90	73	71	85	81
Rising interest rates will damage the economic recovery in my country	79	77	68	72	79	85
Investing in the markets is basically gambling with your money, with the same kinds of odds	76	78	75	72	76	73
Now is a good time to invest given how the markets are performing	83	89	77	74	82	78
I have lost faith in the idea that I can make money by investing in the financial markets	75	67	75	67	78	61
The global economy has fully recovered from the 2007/2008 financial crisis	71	74	58	63	72	68

R4: Please indicate your level of agreement with the following statements?



COMPARATIVE COUNTRY RESULTS

	GLOBAL TOTAL	US	AUSTRALIA	EUROPE	ASIA	LATIN AMERICA
Reasons why (%) among those who agree that they lost faith						
The market is too volatile to rely on a decent rate of return	49	40	42	39	51	52
There are too many fees that will consume my profits	53	46	36	30	57	29
The economy is going to continue to struggle	34	64	58	47	26	61
None of the above	4	4	7	5	4	6
Reasons why (%) among those who agree that they have not lost faith						
A well-balanced investment portfolio will do well over the long term	57	61	47	52	55	68
Regulatory safeguards are in place to protect my investments	21	21	7	27	19	29
The economy is recovering and the market should do well	22	55	33	38	10	32
I have regained confidence in financial institutions	27	42	33	25	22	25
None of the above	10	3	20	12	12	6

R4a: Why is that (lost faith)?

R4b: Why is that (not lost faith)?



COMPARATIVE COUNTRY RESULTS

	GLOBAL TOTAL	US	AUSTRALIA	EUROPE	ASIA	LATIN AMERICA
What size decline in the financial markets would cause you to reevaluate the equities in your portfolio (%)						
Average	18.8	26.3	17.9	18.7	17.3	18.0
What size decline in the financial markets would cause you to sell a large portion of the equities in your portfolio (%)						
Average	21.0	28.0	21.2	20.5	19.6	22.7

R5: What size decline in the financial markets would cause you to reevaluate the equities in your portfolio?

R6: What size decline in the financial markets would cause you to sell a large portion of the equities in your portfolio?



COMPARATIVE COUNTRY RESULTS

	GLOBAL TOTAL	US	AUSTRALIA	EUROPE	ASIA	LATIN AMERICA
How long would you stay with a product that was declining in value or underperforming before you would sell it (%)						
Less than a week	4	5	5	3	4	8
1 week to less than a month	15	9	12	7	17	15
1 month to less than 3 months	25	22	13	24	27	21
3 months to less than 6 months	24	28	27	27	22	23
6 months to less than 1 year	11	12	18	21	10	15
1 to less than 3 years	12	11	13	9	13	12
3 to less than 5 years	5	6	8	4	4	5
5 to less than 10 years	2	2	–	2	1	1
10 years or more	2	5	3	3	1	–
When is the best time to invest more money into the financial markets (%)						
After a few months of a declining market	29	30	28	27	29	33
Immediately following a large decline	26	20	28	30	27	24
As soon as possible, I don't try to time it when I want to invest	24	30	18	23	23	24
After a few months of a rising market	20	20	22	19	20	18
Other	–	–	2	1	–	–

R7: How long would you stay with a product that was declining in value or underperforming before you would sell it?

R8: When is the best time to invest more money into the financial markets?



COMPARATIVE COUNTRY RESULTS

	GLOBAL TOTAL	US	AUSTRALIA	EUROPE	ASIA	LATIN AMERICA
How willing are you to embrace the following when investing money (%)						
Purchasing investments through a dedicated application	58	76	28	29	59	45
Purchasing investments through a mobile device	58	71	22	30	59	41
Purchasing investments through an automated online advice platform	52	74	23	30	50	43
Purchasing investments through mainstream online merchants	54	73	18	28	54	41
Purchasing investments through a social media platform	50	66	18	28	50	39

T1: How willing are you to embrace the following when investing money?



COMPARATIVE COUNTRY RESULTS

	GLOBAL TOTAL	US	AUSTRALIA	EUROPE	ASIA	LATIN AMERICA
At what investment level would you feel more comfortable paying to speak to a live individual to get advice about your investments, rather than relying on an automated advice service online or through an app (%)						
Above \$1,000	5	3	3	5	4	13
Above \$5,000	6	3	7	8	6	10
Above \$10,000	10	5	20	12	10	18
Above \$25,000	17	15	10	23	17	14
Above \$50,000	19	24	23	18	19	9
Above \$100,000	15	15	15	17	15	16
Above \$500,000	12	16	8	5	13	7
Above \$1 million	6	11	2	5	5	5
I would be fine with automated advice no matter the size of the investment	10	8	12	6	11	8
If your investment dropped 50, what rate of return would you need to achieve to fully recover (%)						
50	19	25	17	21	17	25
100	48	46	43	44	49	41
200	9	11	13	13	8	10
Depends on the type of investment	24	18	27	22	26	23

T2: At what investment level would you feel more comfortable paying to speak to a live individual to get advice about your investments, rather than relying on an automated advice service online or through an app?

T3: If your investment dropped 50, what rate of return would you need to achieve to fully recover?



COMPARATIVE COUNTRY RESULTS

	GLOBAL TOTAL	US	AUSTRALIA	EUROPE	ASIA	LATIN AMERICA
Gender (%)						
Male	49	71	62	58	44	56
Female	51	29	38	42	56	44
Employment status (%)						
Employed	95	97	88	86	96	84
Retired	–	–	2	2	–	1
Time retired from primary occupation (%)						
<1 year ago	4	–	100	–	–	–
1-2 years ago	61	–	–	37	96	–
3-5 years ago	25	–	–	45	4	68
5-9 years ago	9	–	–	15	–	32
10 or more years ago	1	–	–	3	–	–

E1: What is your gender?

E2: Which of the following best describes your current employment status?

E3: How long ago did you retire from your primary occupations?



COMPARATIVE COUNTRY RESULTS

	GLOBAL TOTAL	US	AUSTRALIA	EUROPE	ASIA	LATIN AMERICA
Do you plan to retire within the next five years (%)						
Yes	17	40	23	15	12	24
No	83	60	77	85	88	76
Marital status (%)						
Single, never married	14	5	43	29	12	34
Married, previously divorced	6	23	8	9	2	9
Married, never divorced	76	69	32	45	83	42
Separated, not divorced	–	–	2	1	–	2
Divorced	–	1	–	2	–	–
Widowed	–	–	2	–	–	–
Living with partner	2	2	13	13	1	12
Annual household income before taxes						
Average	1109.2	1053.3	329.5	476.3	1182.2	1172

E4: Do you plan to retire within the next five years?

E6: What is your marital status?

E7: What is your current annual household income before taxes?



COMPARATIVE COUNTRY RESULTS

	GLOBAL TOTAL	US	AUSTRALIA	EUROPE	ASIA	LATIN AMERICA
% that own vs. rent their home						
Own	94	94	87	84	95	86
Rent	6	6	13	16	5	14
Age (%)						
18-29	33	20	42	44	33	54
30-39	67	80	58	56	67	46
Average	31.0	31.5	29.4	29.6	31.1	28.6
Decision role (%)						
Sole Decision-maker	86	95	83	75	86	72
Share Responsibility	14	5	17	25	14	28

E8: Do you own or rent your home?

S1: What year were you born?

S2: When it comes to investment decision-making, would you say you are...?

SURVEY METHODOLOGY





SURVEY METHODOLOGY

A quantitative online survey methodology was used to conduct the study, with a total of 5,370 mass affluent investors across 19 markets completing the questionnaire.

Respondents had to meet the following screening criteria:

- Sole or joint decision-maker for household investment decisions
- \$200,000+ investable assets (includes investment real estate but not primary residence/vacation property)
- Main Sample/Core 40+ HNWI/Older Investors: Age 40–75 (N=4,103 Completes)
- Millennial Sample: Age 18–39 (N=1,267 Completes)

Field work for the survey was conducted between December 3, 2015 and January 8, 2016. In each market, sample included roughly equal numbers of respondents for the \$200K–\$999K group and \$1M+ group; the data was then weighted to be representative of the \$200K–\$999K and \$1M+ household total investable assets populations. Global investor figures are composites based on weighted average of country specific findings; the weighting is by relative incidence of qualified investors in each country. Note: Because of rounding, percentages may not add up to 100.

The research was conducted by Northstar Research Partners, an independent global marketing research firm with offices in New York, Atlanta, Toronto, London and Jakarta (www.northstarhub.com). Northstar conducts research across a wide range of industry sectors and is a recognized leader in financial services marketing research.

The main sample for comparisons to last year’s data includes only high net worth investors aged 40–75, with Millennial data providing an additional data set that serves as a supplement to this year’s study.

In retirement questions (G12 and G13) that asked for a numeric amount needed to enjoy retirement, respondents were asked to give a figure in their home currency, which was later converted to U.S. dollars for comparison purposes. Medians were used to report averages in order to lessen the impact of extremely high answers on the data.

Market	Sample size
United States	N=600 , 500 age 40–75, 100 age 18–39
Europe (UK, France, Spain, Italy, Germany, Switzerland, Belgium, Sweden)	N=2,122 , ~200 age 40–75, ~60 age 18–39 per market
Asia (Hong Kong, Singapore, Japan, Taiwan, China, South Korea)	N=1,341 , ~200 age 40–75, ~60 age 18–39 per market with 100 in China
Latin America (Brazil, Chile, Mexico, Colombia)	N=1,047 , ~200 age 40–75, ~60 age 18–39 per market
Australia	N=260 , ~200 age 40–75, 60 age 18–39

Brandywine Global
ClearBridge Investments
Martin Currie
Permal
QS Investors
RARE Infrastructure
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IMPORTANT INFORMATION:

All investments involve risk, including possible loss of principal.

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