

Results of studies on the investment behaviour of private individuals

Switzerland, France, Italy, Spain, United Kingdom, Hong Kong, Singapore, Taiwan

1st September 2020

Sample & Methodology



Objective: Deep investor insight across 8 markets (Switzerland, France, Italy, Spain, UK, Hong Kong, Singapore, Taiwan).

Selection procedure in Switzerland: Online surveys were with respondents who are the top 80% of earners from across Switzerland (In Switzerland respondents were screened out consumers with a household monthly income of less than CHF 4,000)

Method: Computer-assisted online interviews

Weighting: Population-representative weighting according to region, gender and age and the mass affluent*

Market research institute: Ipsos MORI

Edition: 1st Study in Switzerland (2020)

SWITZERLAND SAMPLE CRITERIA



Sample 1: Main (n=2000)

- Nat Rep of top 80% earners (In Switzerland respondents were screened out consumers with a household monthly income of less than CHF 4,000)

Sample 2: Mass Affluent (n=740)

- 540 of sample 1 (People with CHF100,000+ in savings and investable assets)
- And additional 200 interviewed (People with CHF100,000+ in savings and investable assets) giving us a total of **n=740 mass affluent people in our sample**

Sample 3: Kids aged 8-15 years old (n=300)

- Targeting the top 80% of earners

	Fieldwork dates	COVID-19 Lock Down
UK	27 January- 13 February	From 23 March
Singapore	27 January- 24 February	Partial: 3 April – 1 June
France	19 February – 27 February	From 16 March
Spain	19 February- 27 February	From 14 March
Italy	19 February- 26 February	From 9 March
Switzerland	5 March- 27 March	From 12 March
Hong Kong	19 February- 27 March	No formal lockdown
Taiwan	5 March- 5 April	No formal lockdown

NOTES:

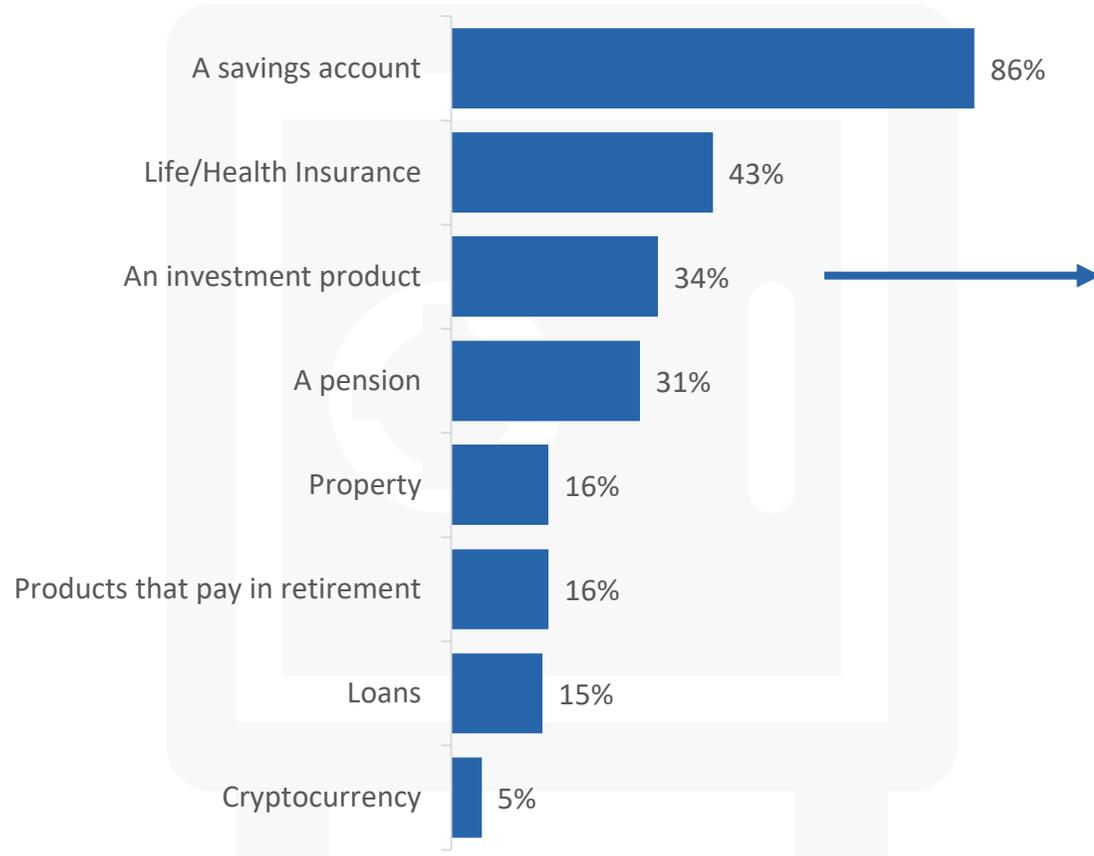
- Mass Affluent definition is comparable by market
- Across all markets we targeted children who came from households that earned in the top 80%, and while we did not set gender and age quotas on kids we aimed to get an even spread across age/gender



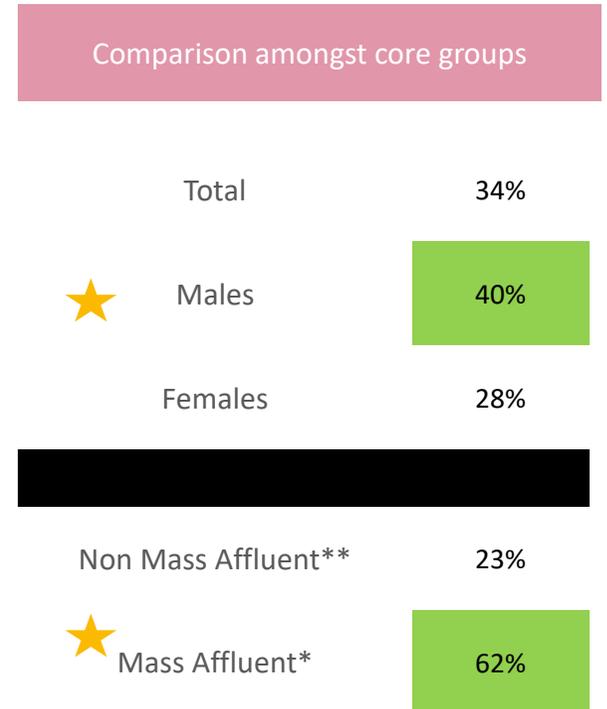
**What is the current
mindset?**

Switzerland is a savings market and about a third of people hold an investment, largely the mass affluent* and males

PRODUCT HOLDINGS



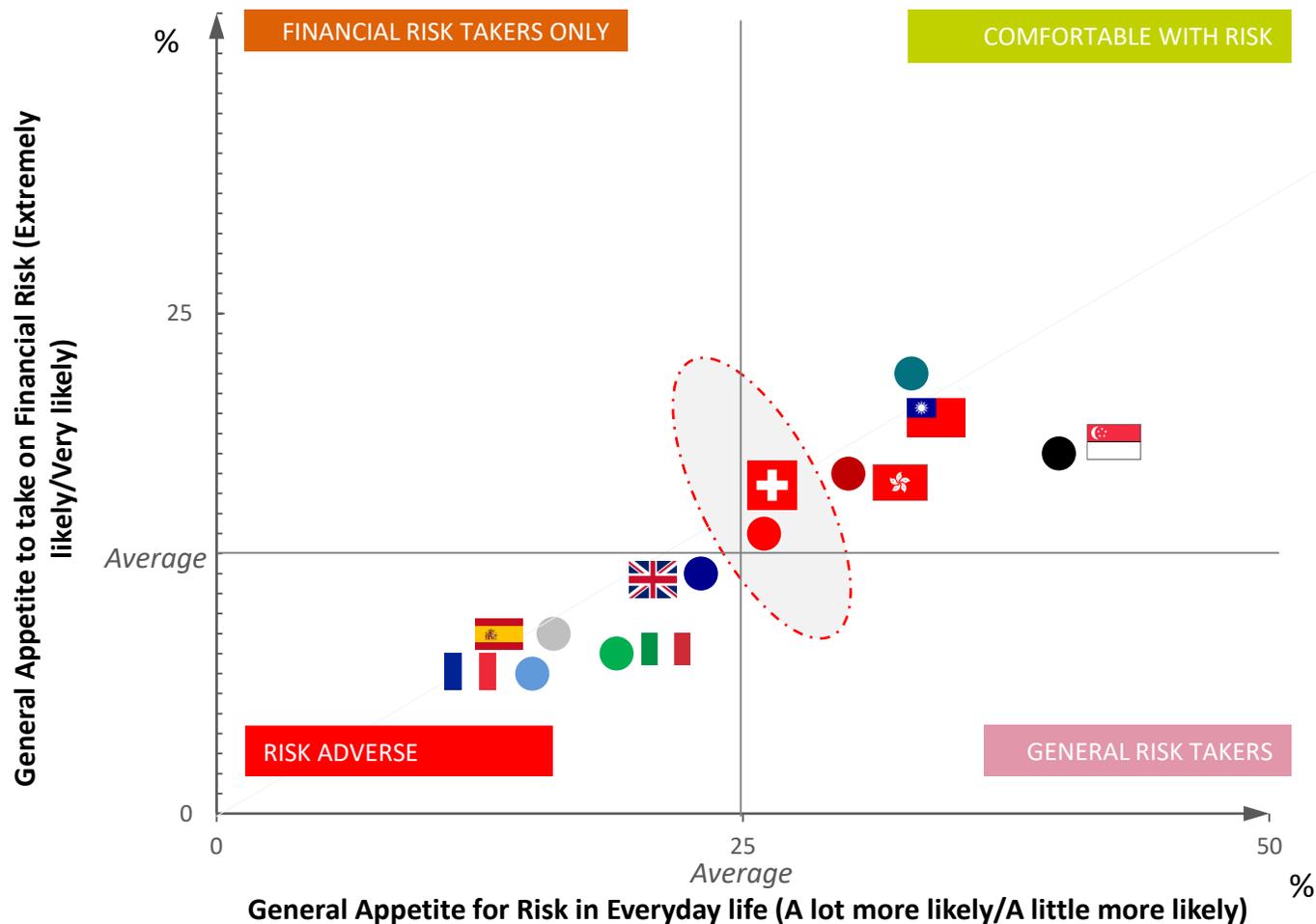
INVESTMENT PRODUCT HOLDINGS



Which of the following products do you hold either in your own name or in joint names with someone else?



Appetite for risk in everyday life is correlated with financial risk and Switzerland is unlike other European markets in that they are more open to taking on financial risk

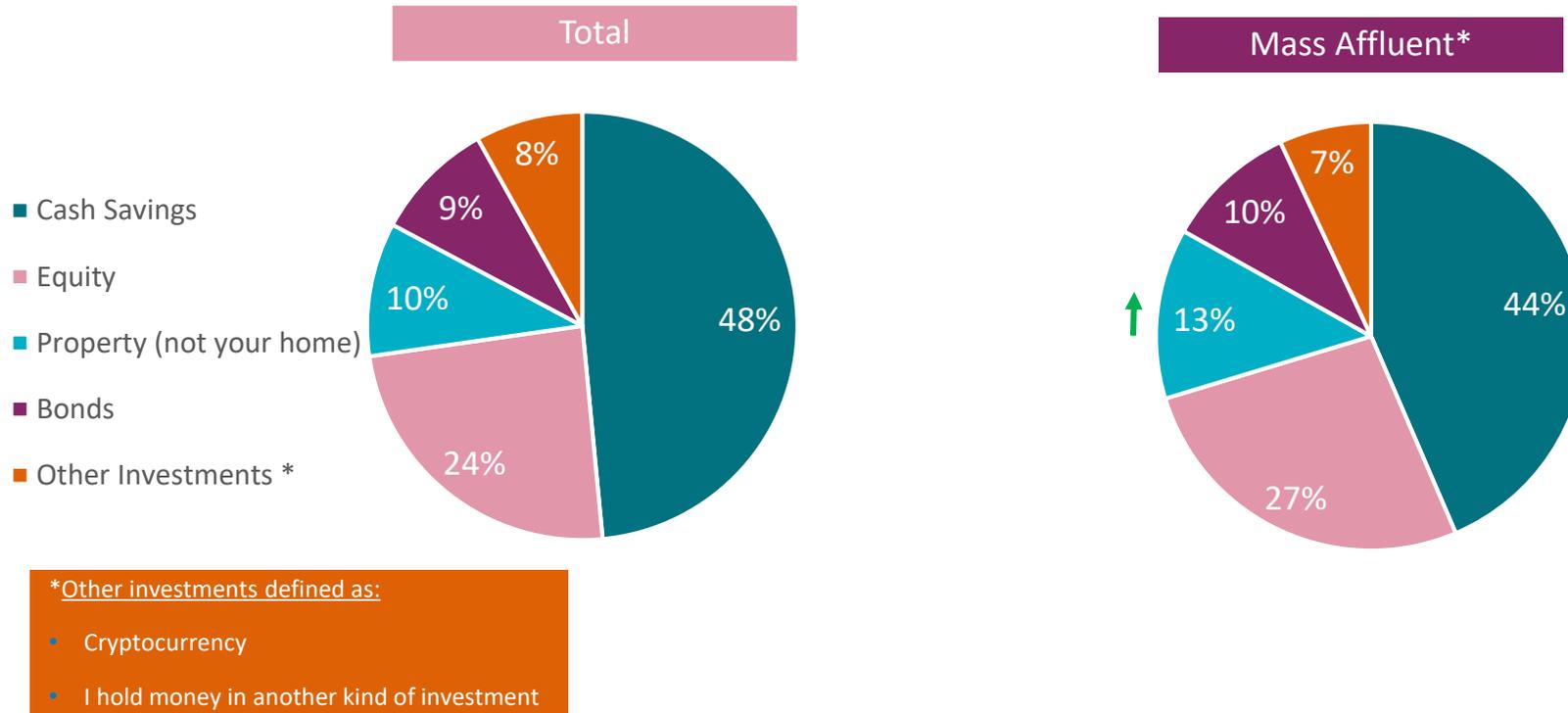


How likely are you to take risks when it comes to how you invest and manage your money?
In general, compared to other people, how likely are you to take risks in your everyday life

How are investors diversifying their portfolios?

Liquidity is important to investors but the mass affluent are more prone to holding their wealth in property

Spread of wealth

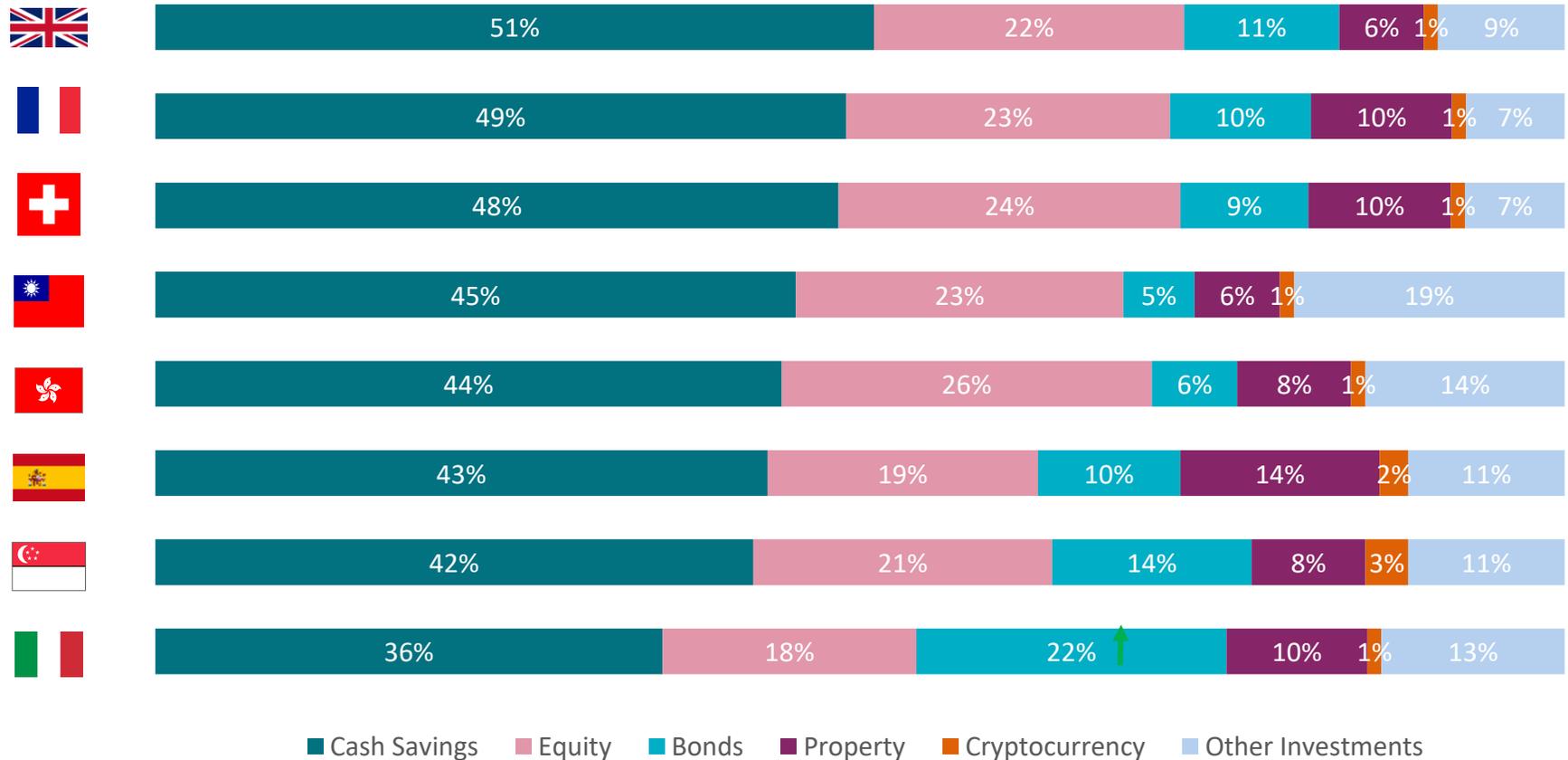


The next question is about how you spread your money (savings or investments) across the different options available to you. What percentage of your total assets do you hold in each of the following?



Liquidity is important across all markets, Italy however is more inclined to hold their wealth in bonds compared to other markets

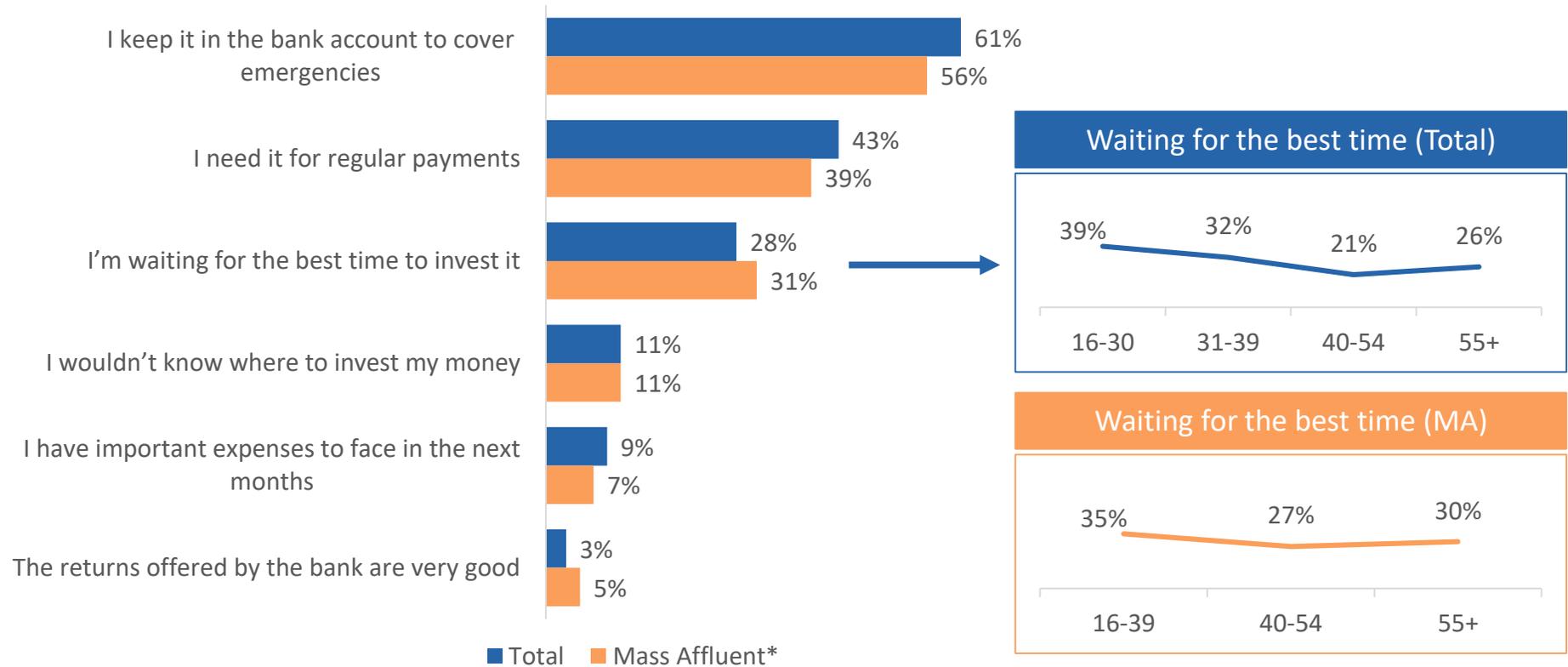
Diversification of wealth (Amongst the Main Sample)



The next question is about how you spread your money (savings or investments) across the different options available to you. What percentage of your total assets do you hold in each of the following?

Encouraging greater diversification will be challenging, as the Swiss prefer to hold their wealth in bank accounts

Reason for holding cash amongst those who hold more than 40%+ of their wealth in cash savings



For what reason do you keep this money in cash savings?



Trust in asset managers is very important when selecting an investment product, providing a competitive advantage

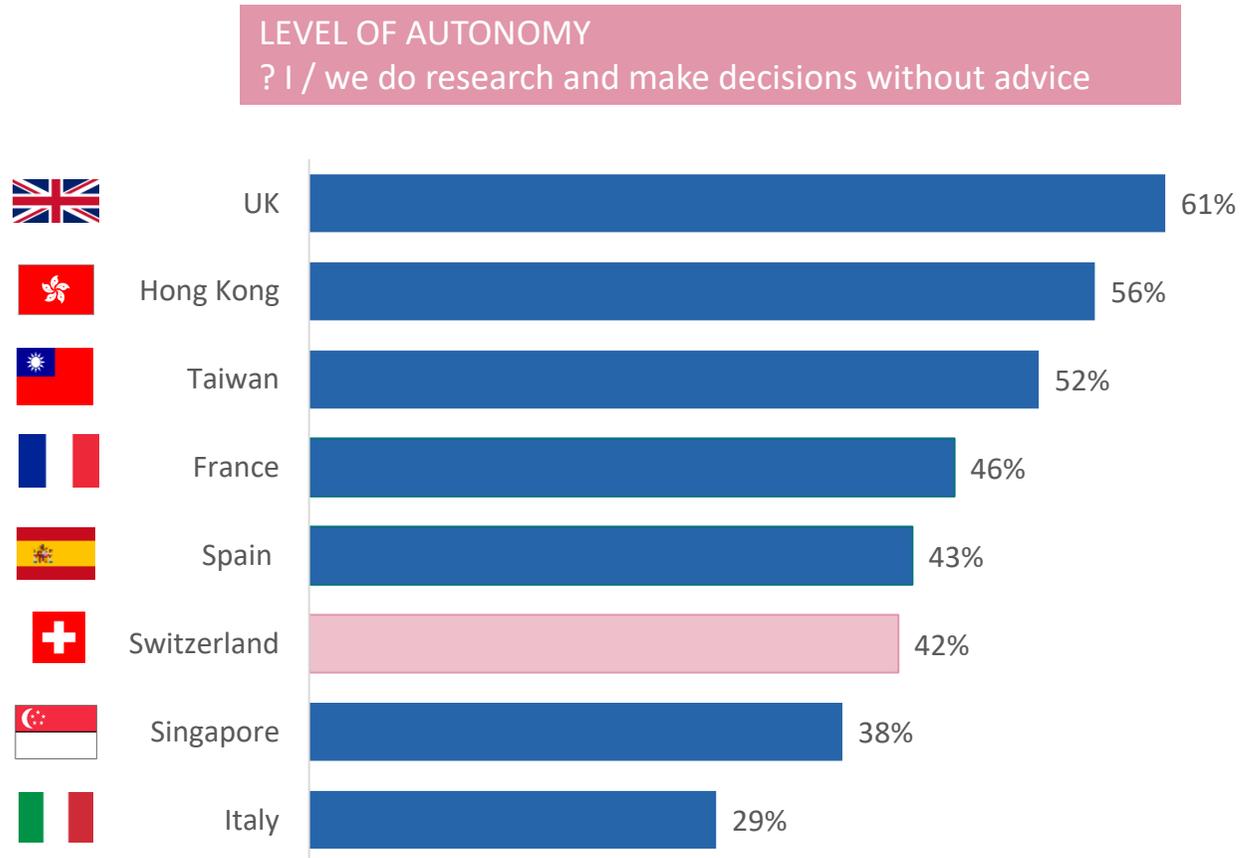
Criteria for selecting an investment product (Top ranked)



What are your criteria for selecting an investment product? Please look through the following list and rank the top 3 in order of importance



Switzerland is not as autonomous when choosing financial investments compared to other Asian and European markets

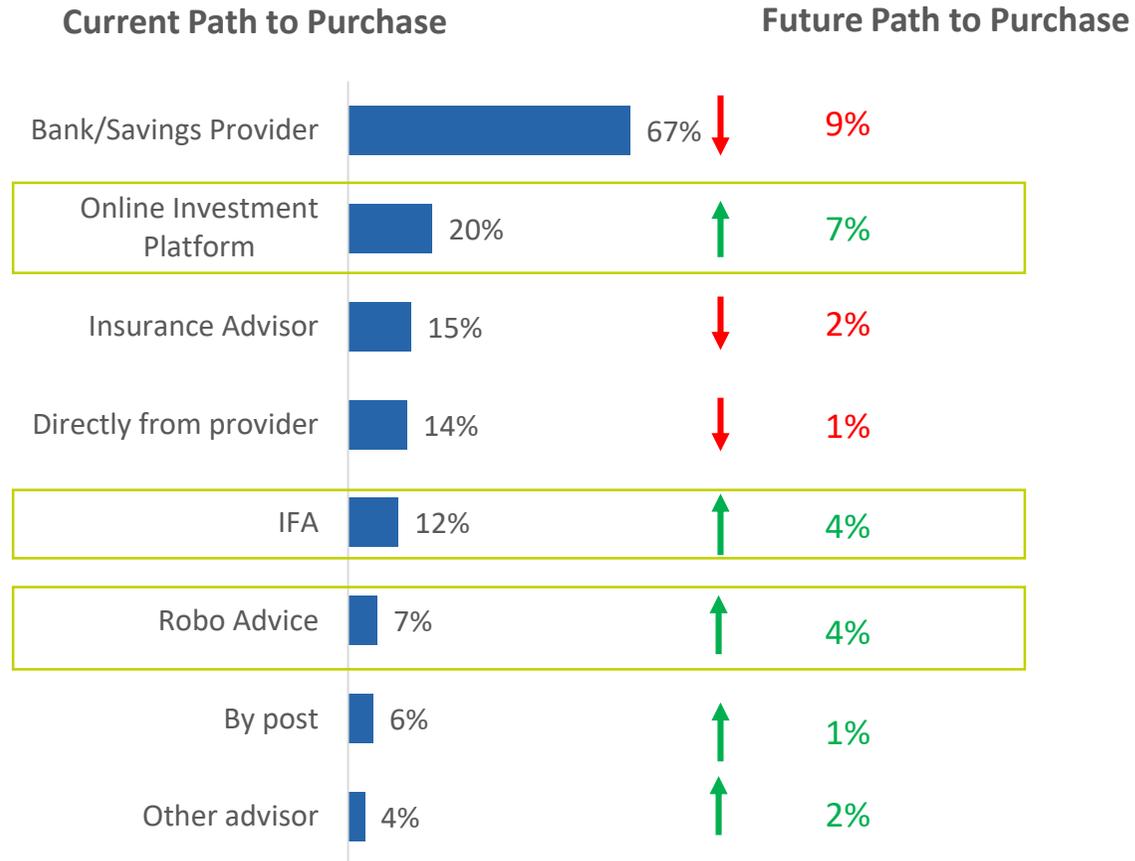


Which of these best describes how involved you are with choosing your financial investments?

Base: Investors: Hong Kong (n=1,379), Singapore (n= 994); Taiwan (n=1,332); United Kingdom (n=753); Italy (n=705); Spain (n=614); France (n=486); Switzerland (n=667)

1) ? 1 / we do research and make decisions without advice ; 2) I / we do research but also get advice from a professional adviser; 3) Somebody does this on my/our behalf; 4) Other Please Specify: [ANCHOR]

Banks are still set to be a dominant channel for investments. Online investment platforms, IFAs and Robo Advice set to increase in the future

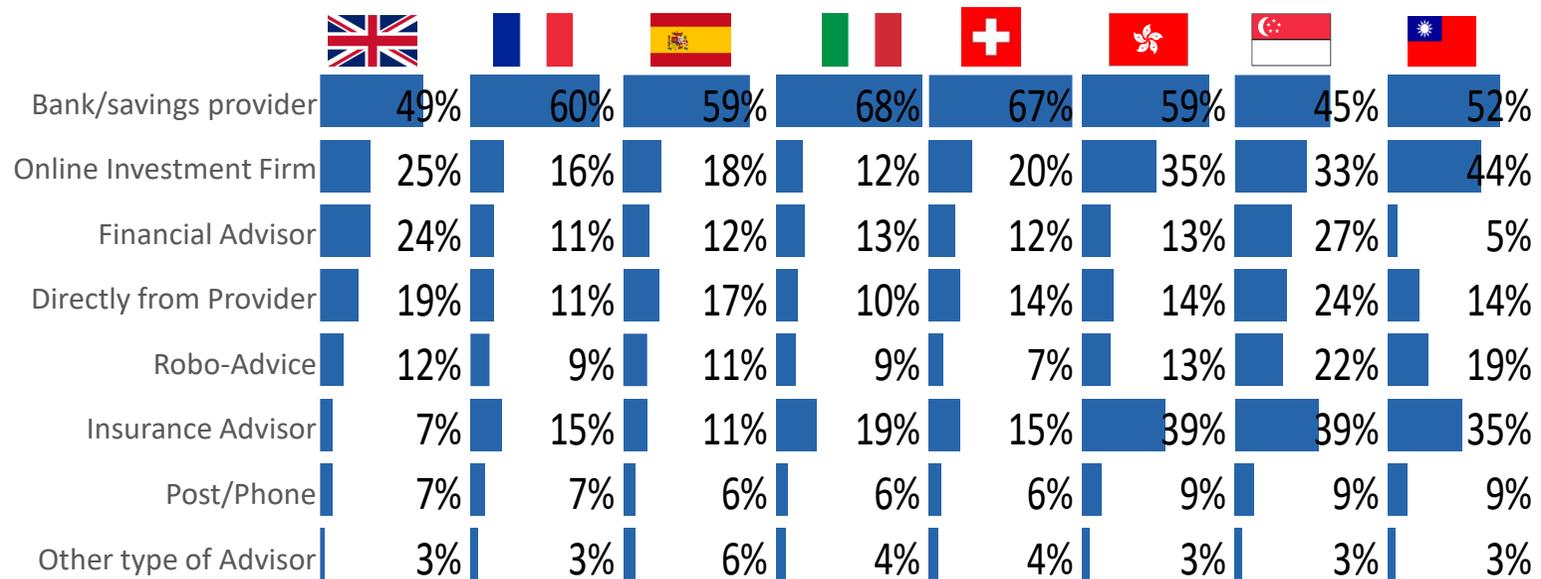


Through which of the following, if any have you bought a financial investment or investment product in the last five years?
 In the future, through which of the following do you think you will buy your financial investments?



Bank and savings providers are key channels for buying investments across markets; In Asian markets Insurance Advisors and Online Investment firms are frequently used

Investment products purchased in the past 5 years

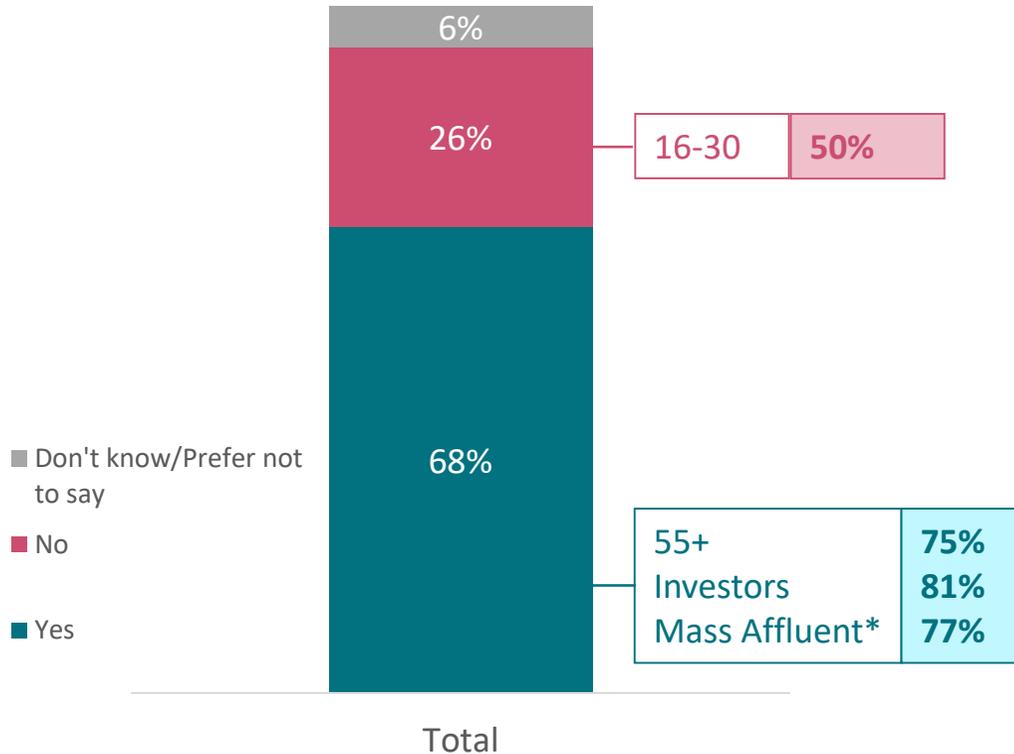


Through which of the following, if any have you bought a financial investment or investment product in the last five years?

How do you save for retirement?

Two thirds are saving for retirement, reflecting its importance as a financial goal

Are you saving for retirement?



48% 

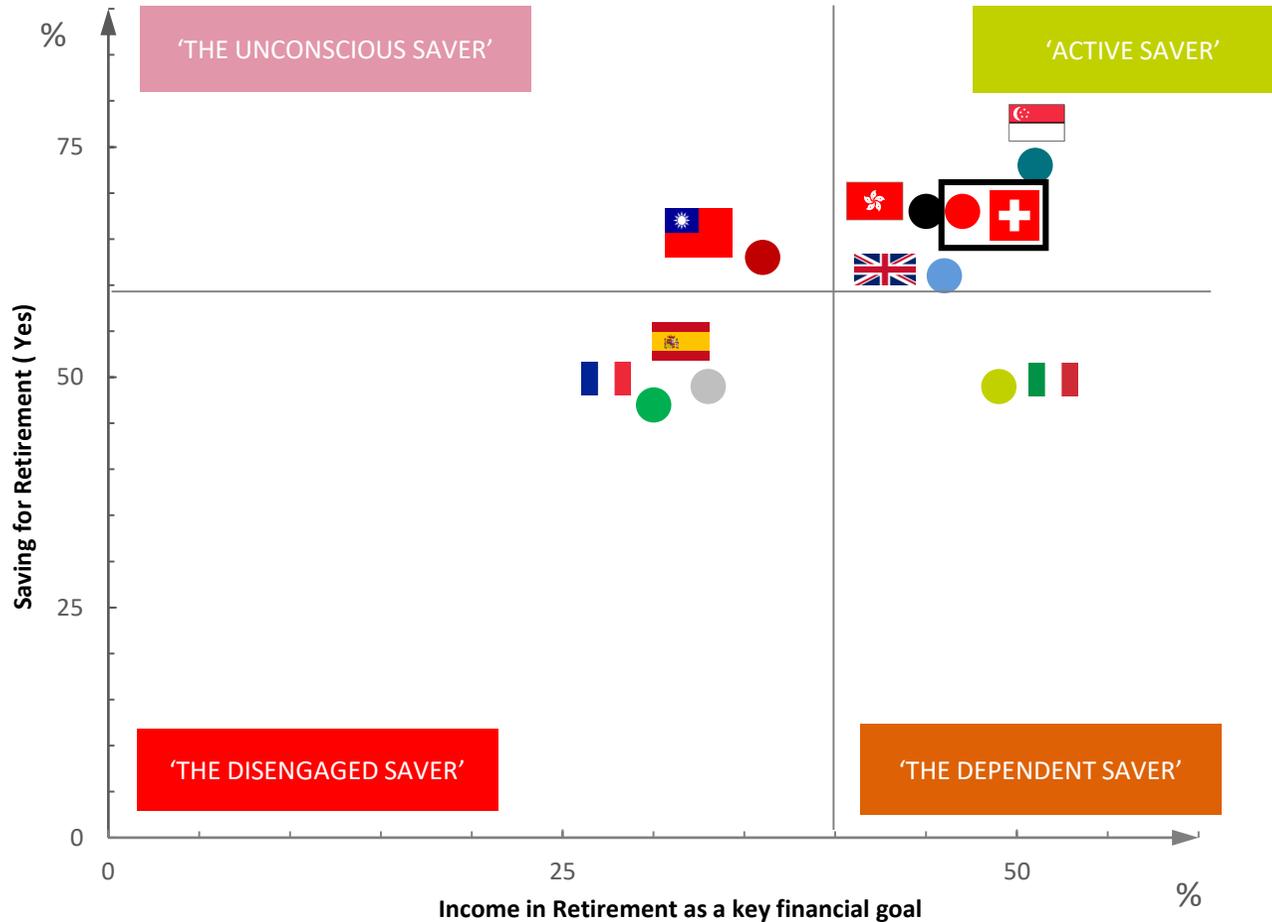
of retirement savers rated having income in retirement as their top financial goal

Are you currently saving for your retirement?

We'd like to understand your financial goals, that is what you'd like to achieve with your money, either in the shorter or longer term. For you, now, which of the following are your three biggest financial goals?



Switzerland neatly fits into an 'active saver' profile, showing that retirement planning is of greater importance relative to other European markets



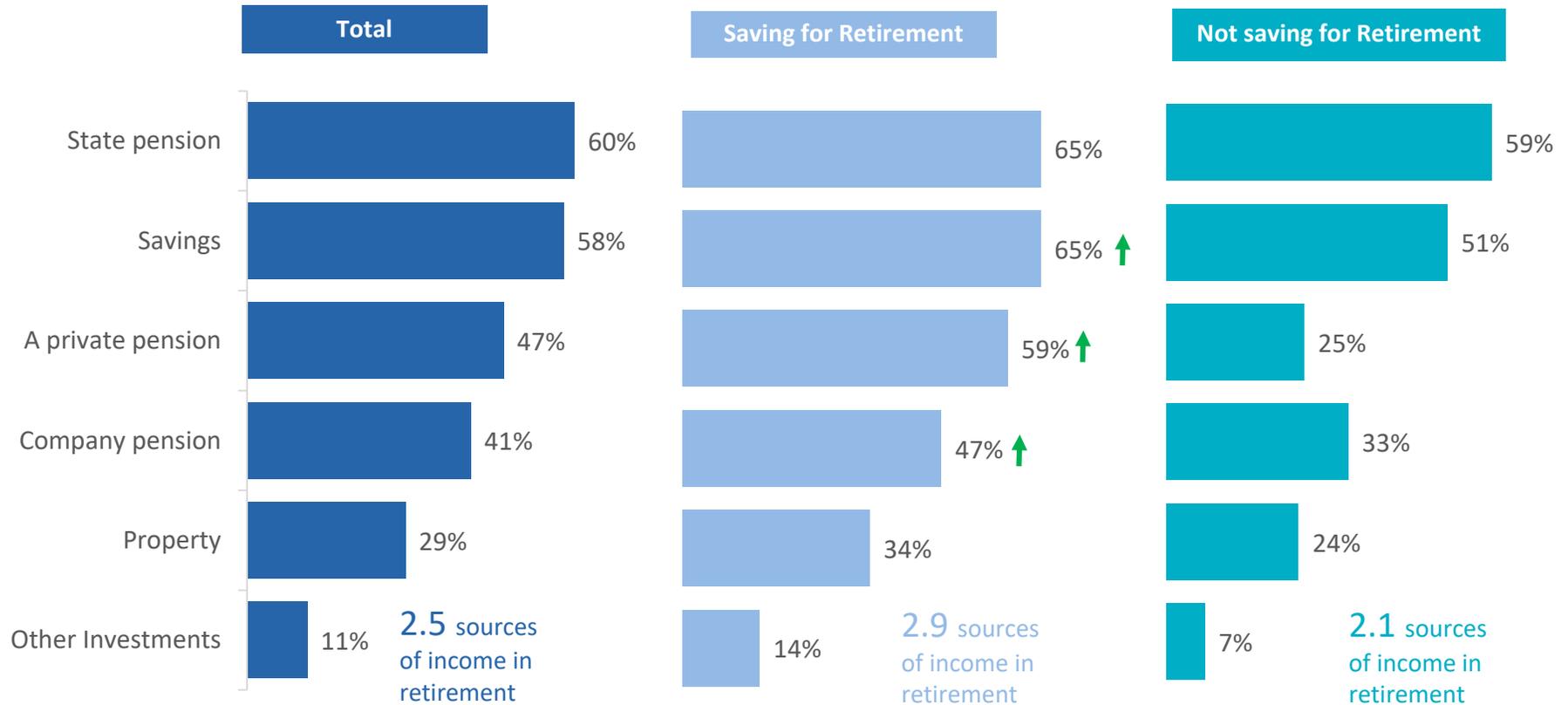
Are you currently saving for your retirement?

We'd like to understand your financial goals, that is what you'd like to achieve with your money, either in the shorter or longer term. For you, now, which of the following are your three biggest financial goals?

15 Those who are not retired France (n=1,432); United Kingdom (n=1,600); Spain (n=1,798); Italy (n=1,574); Switzerland (n=1,715); Singapore (n=1,956); Hong Kong (n=1,962); Taiwan (n=1,859)

Those saving for retirement plan on utilising a wider range of sources of income in their retirement than non-retirement savers, with the clearest gap in private pensions

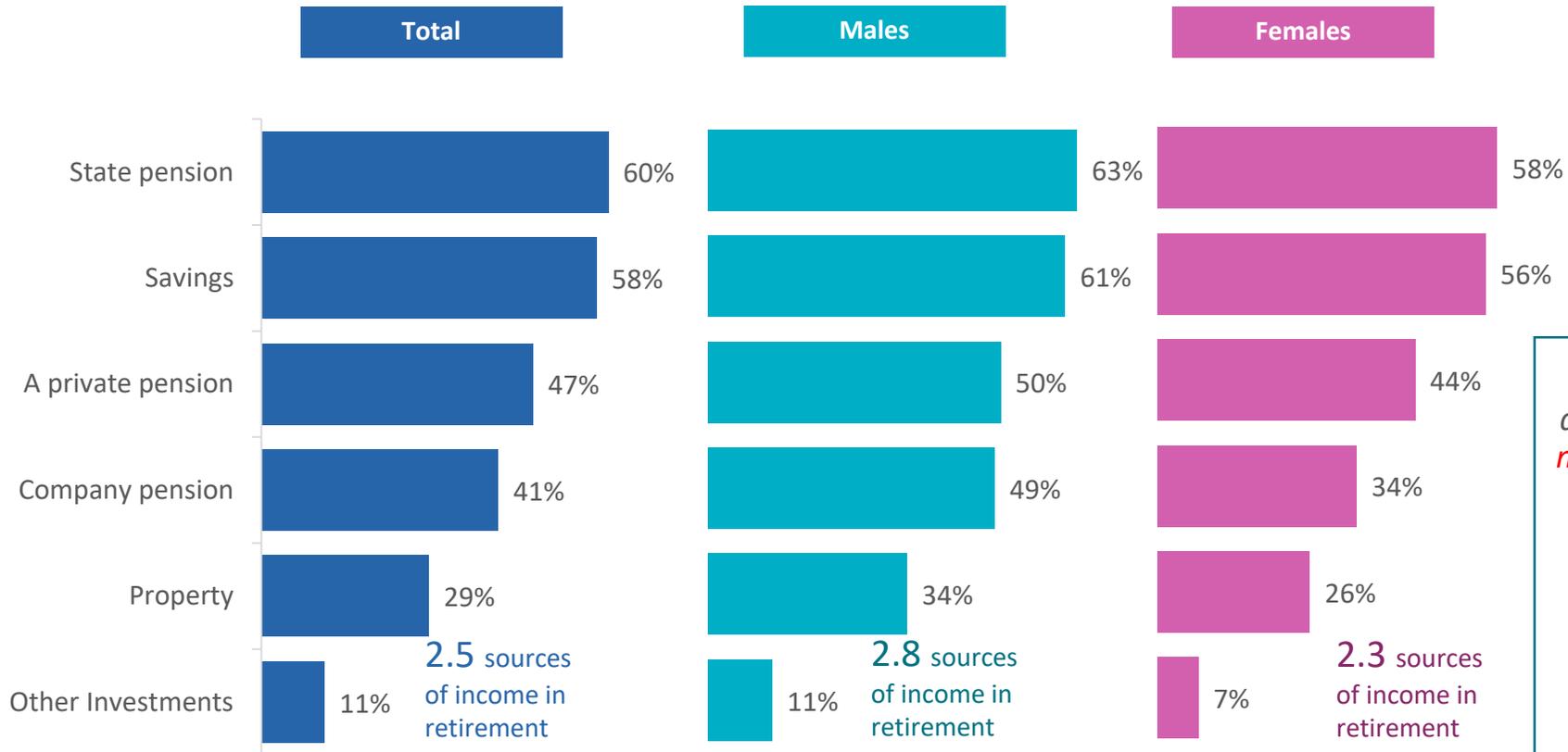
Sources of income people are planning to use in their retirement



Which of these, if any, are you planning to use for your income in retirement?

Males are also planning on using a wider range of sources of income in retirement

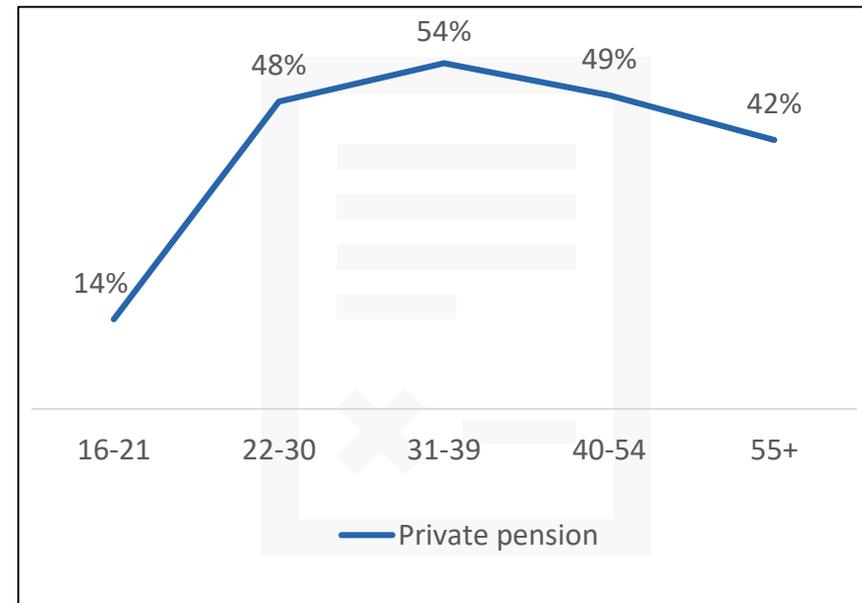
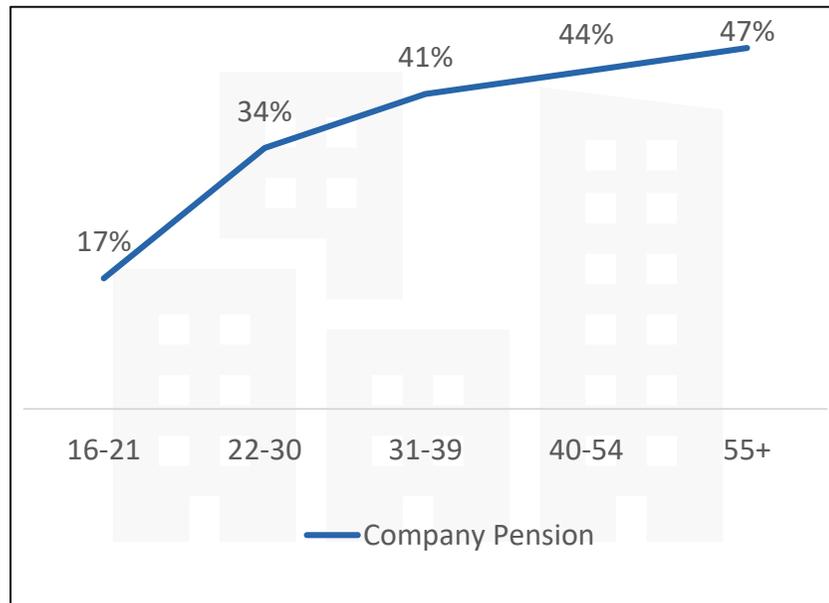
Sources of income people are planning to use in their retirement



Which of these, if any, are you planning to use for your income in retirement?
 Which of these best describes your working status?

Whilst company pensions increase amongst older groups, we see almost an inverted trend for private pensions

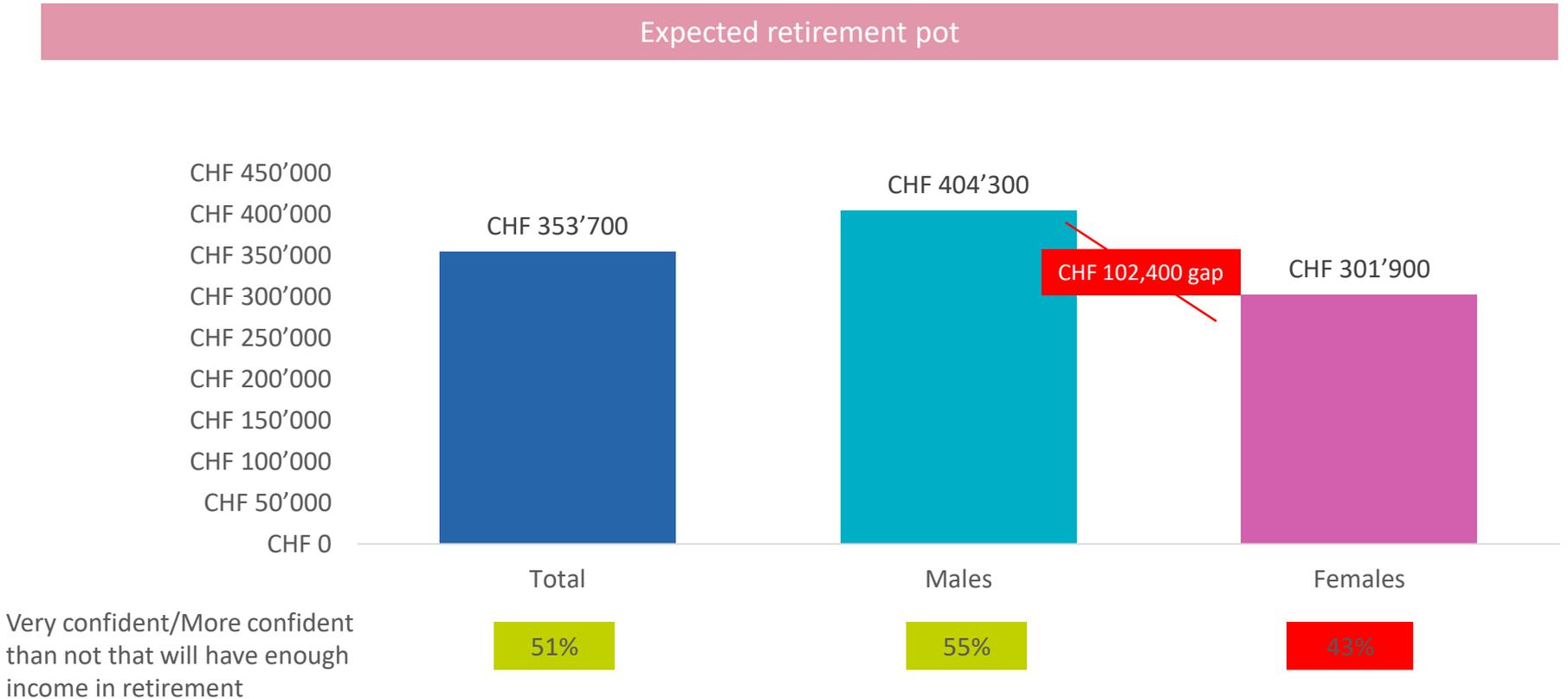
Planned retirement incomes by age



Which of these, if any, are you planning to use for your income in retirement?



There is a significant gap by gender both in terms of expected retirement pots and confidence that it'll be enough



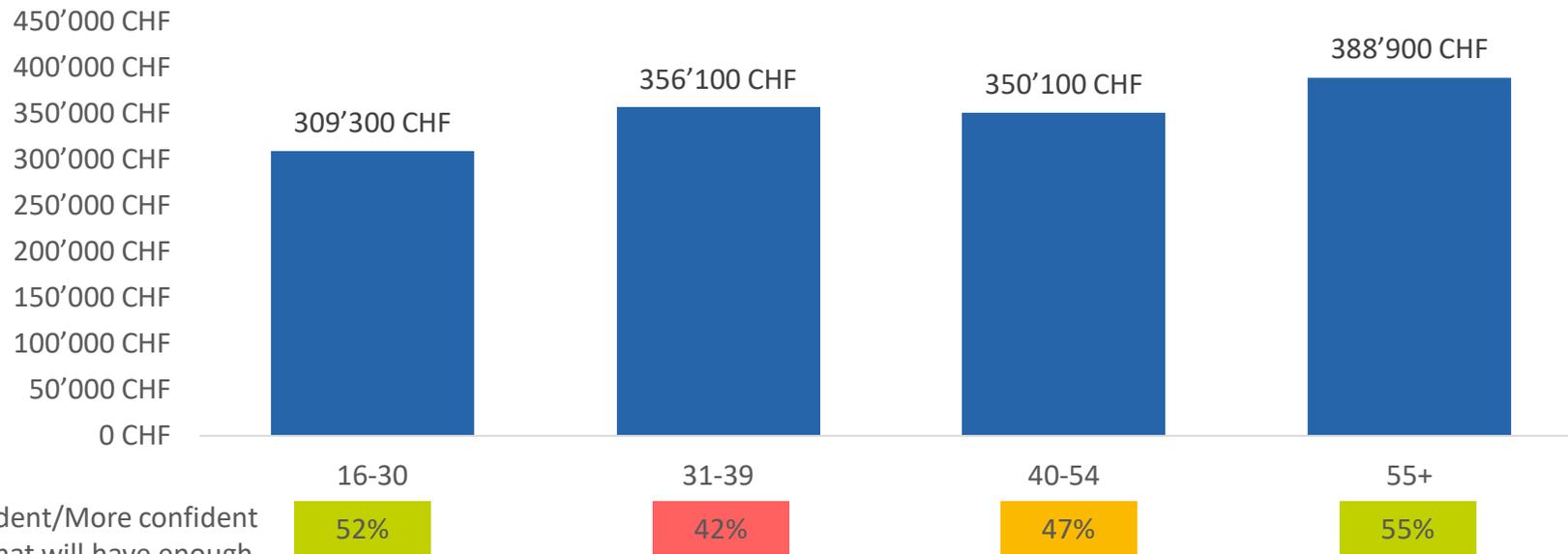
How much money do you expect to have in your pension fund/s when you retire?
 To what extent, if at all, are you confident that this will be enough to live out your retirement comfortably?

Very confident, more confident than not, not very confident, not at all confident, don't know



How much people expect in their retirement pot is consistent across age groups

Size of the Retirement Pot

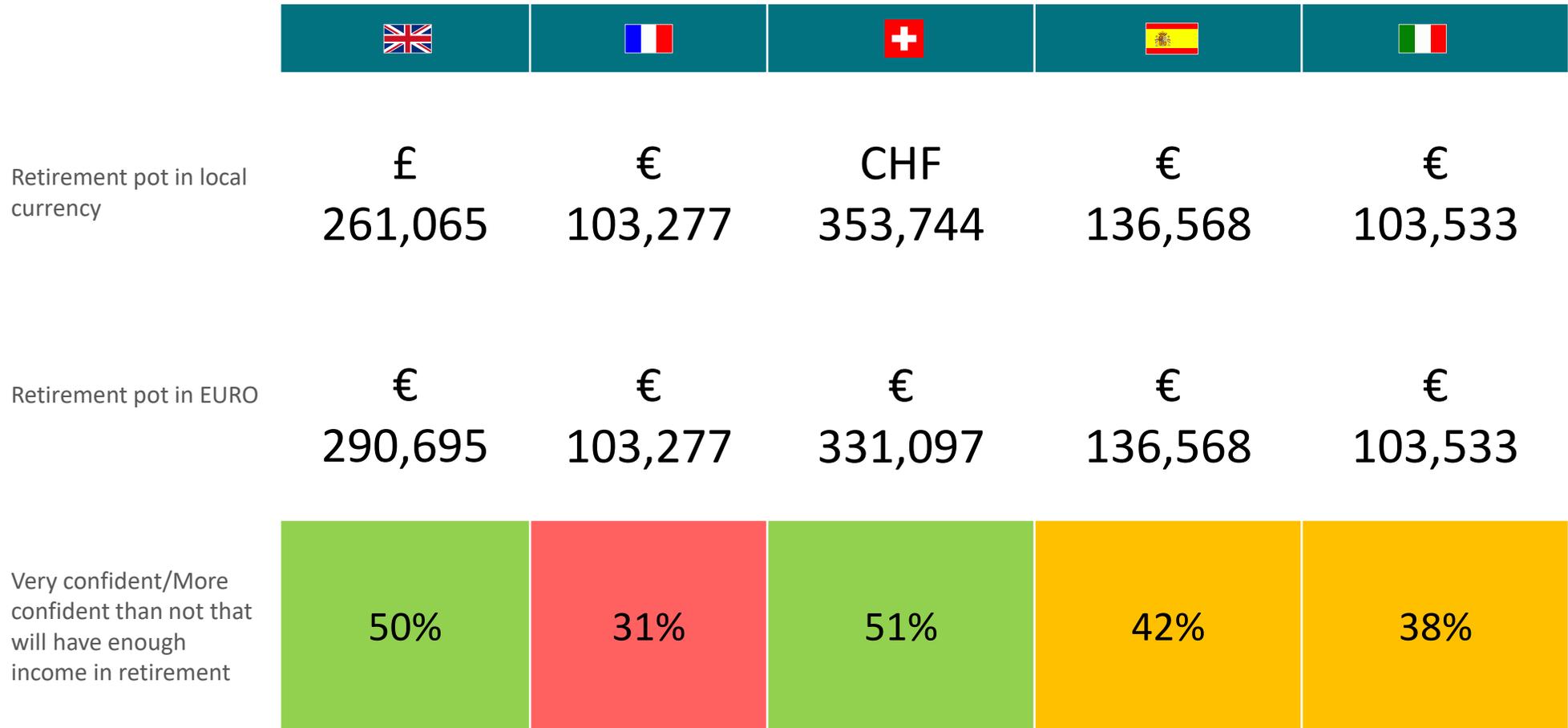


Very confident/More confident than not that will have enough income in retirement

How much money do you expect to have in your pension fund/s when you retire?
To what extent, if at all, are you confident that this will be enough to live out your retirement comfortably?



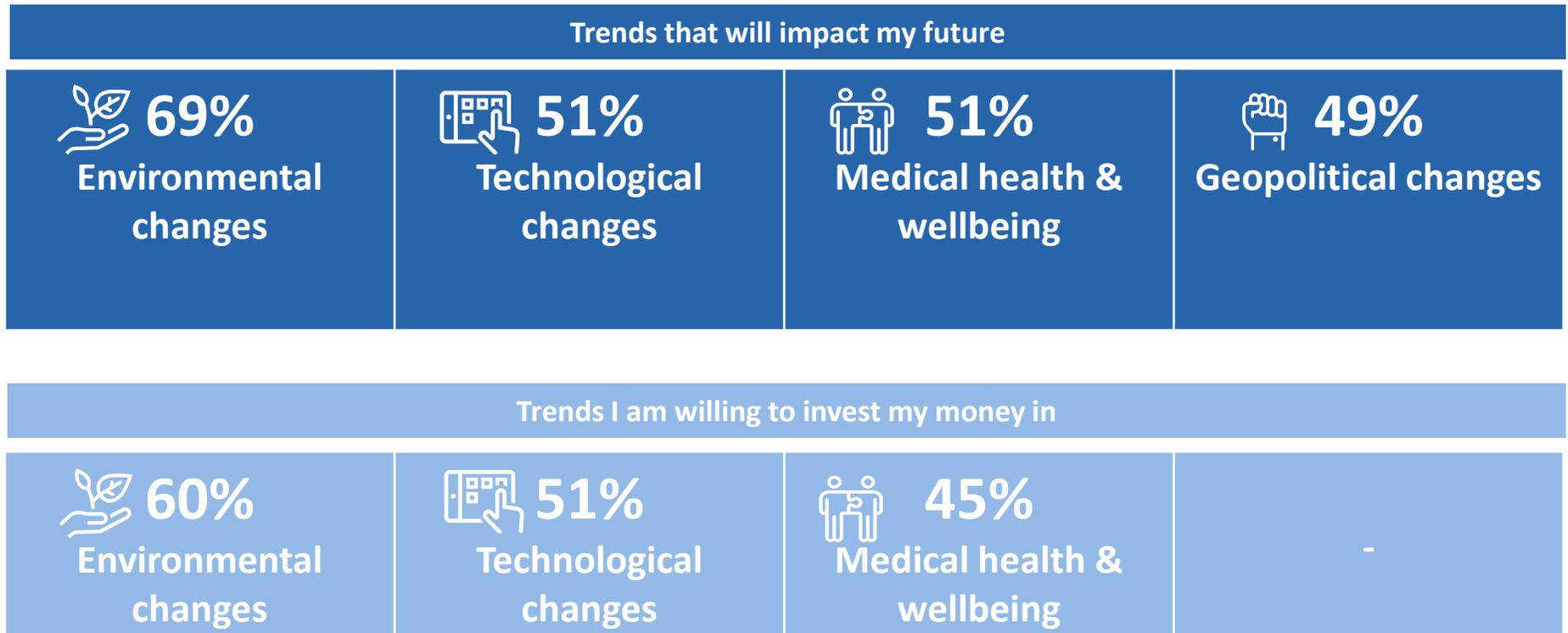
UK and Switzerland are the most confident markets in Europe, with the correspondingly largest retirement pots



How much money do you expect to have in your pension fund(S) when you retire?
To what extent, if at all, are you confident that this will be enough to live out your retirement comfortably?

**What can we expect
from the future?**

People in Switzerland see environmental change as a key trend set to affect them in the future, and mirror this with a majority willing to invest in it



Which of the following, if any will have an impact on you in the future?

In which of tomorrow's trends below, if any, would invest your money? Please feel free to select as many answers as you see fit.



Environmental changes and technological changes are the two key areas which are perceived to have the greatest impact on people

Trends that will impact my future

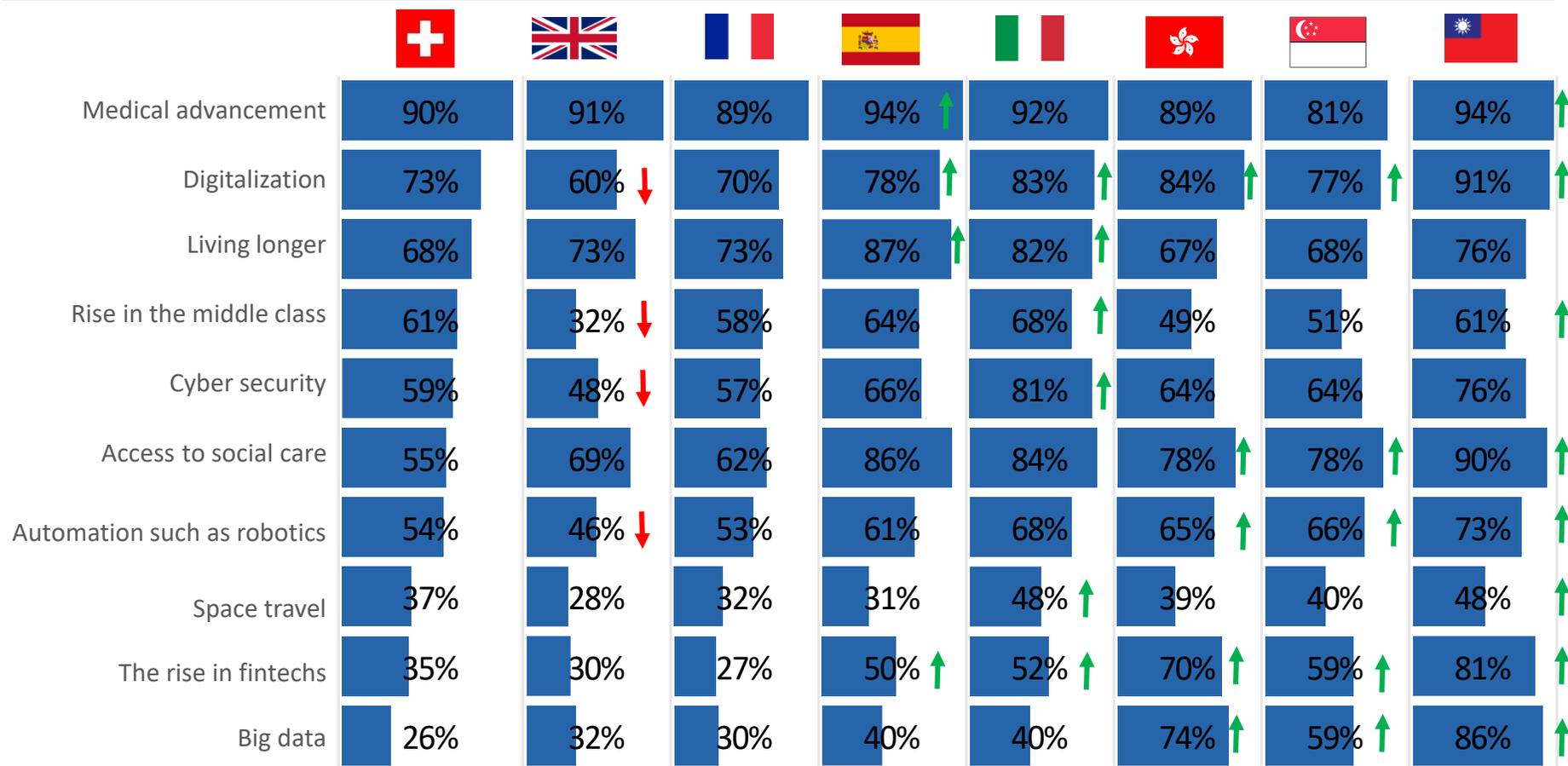
								
 Environmental changes	68%	64%	72% ↑	61%	63%	69%	59%	55%
 Technological changes	61%	57%	71% ↑	58%	40%	51%	55%	43% ↓
 Medical health and wellbeing	63%	59%	70% ↑	56%	47%	51%	58%	47% ↓
 Geopolitical changes	60%	77% ↑	70% ↑	55%	47% ↓	49%	51%	41% ↓

Which of the following, if any will have an impact on you in the future?

Medical Advancements, health and wellbeing as well digitalisation, cyber security and robotics is seen as a force for positive change

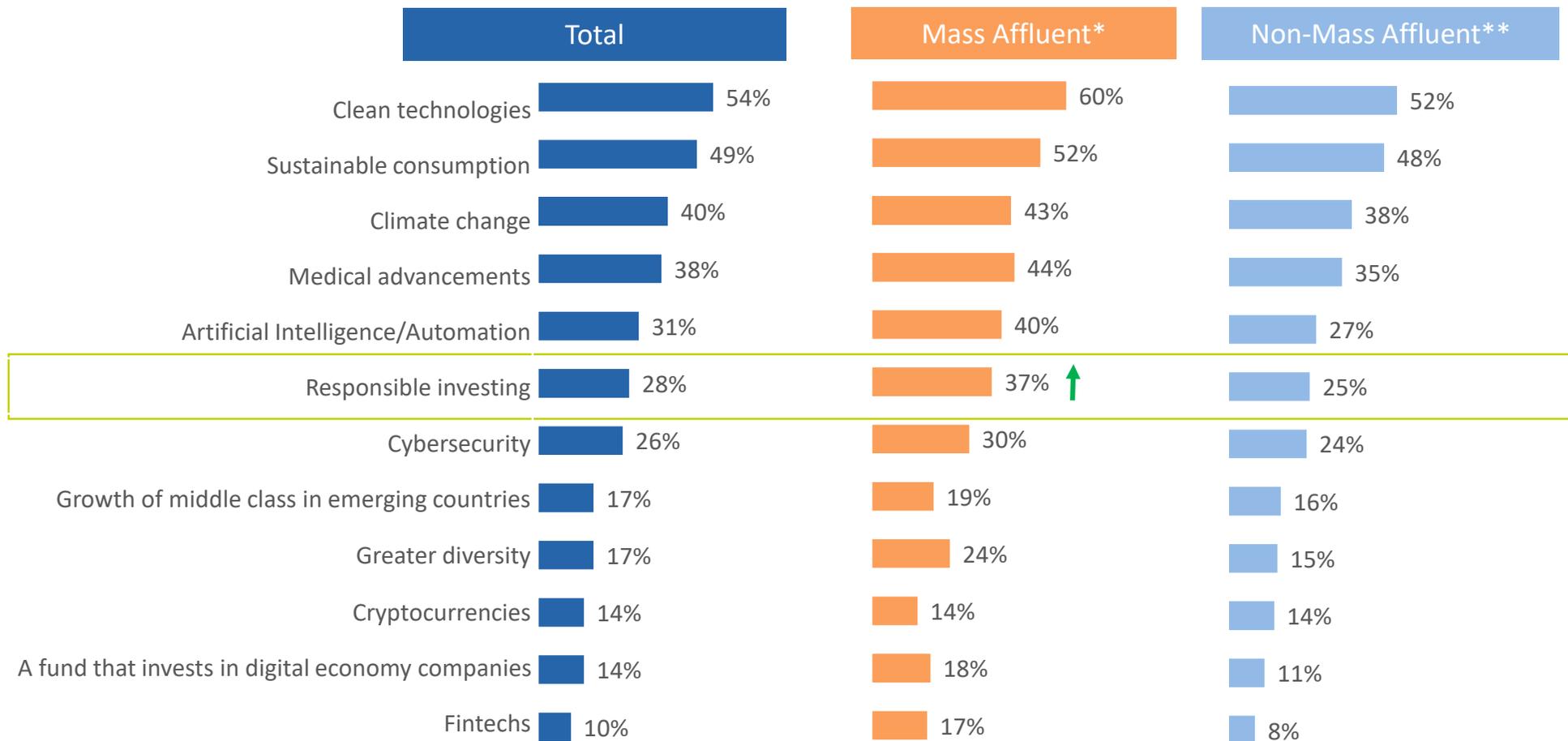
FinTechs and Big Data are likely to be perceived as more positive in Asian markets

Will tech trends affect you positively or negatively? (Top 10 trends which are seen as having a positive affect)



Do you think these will affect you positively or negatively? Positive Affect, Negative Affect, Not sure

Responsible Investments draw more attention from the mass affluent*

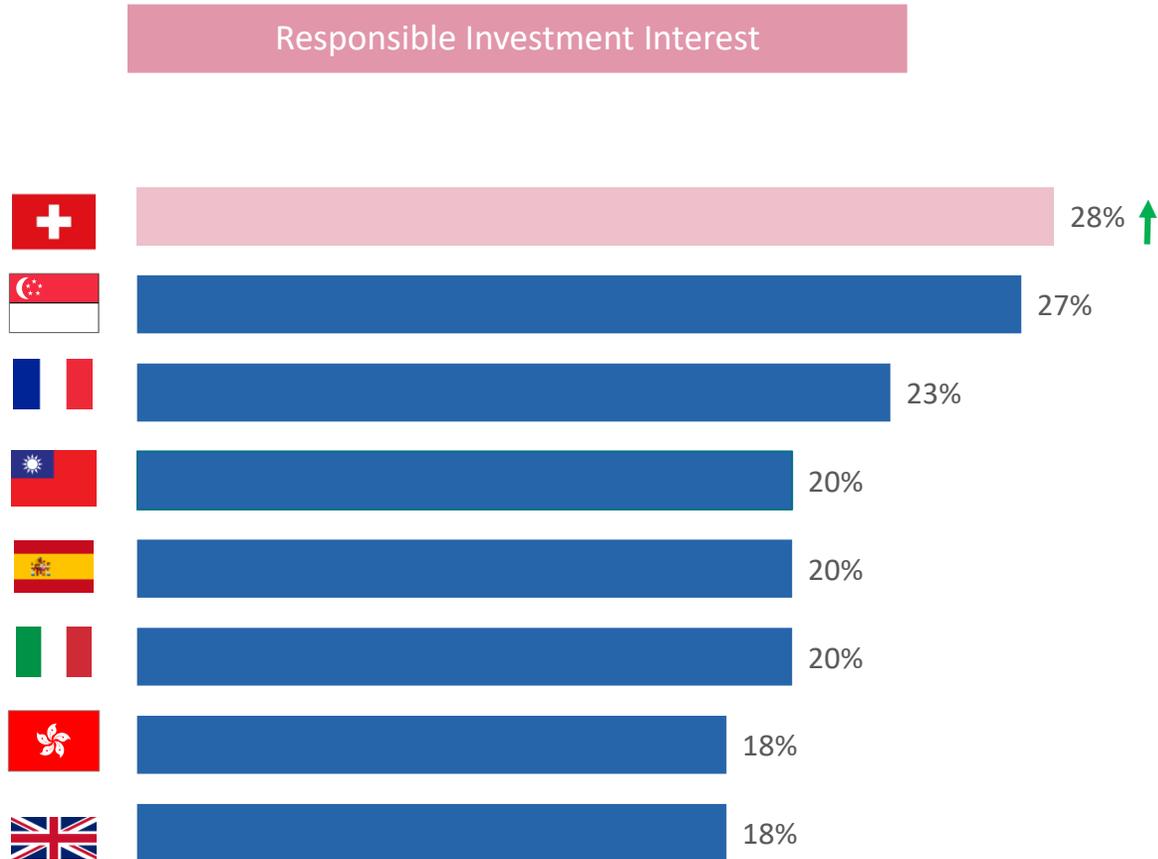


In which of tomorrow's trends below, if any, would invest your money? Please feel free to select as many answers as you see fit.



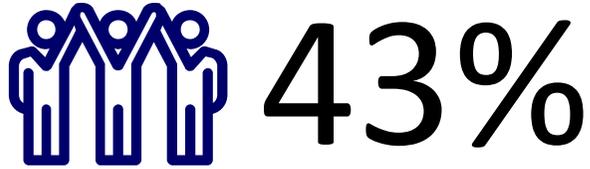
Responsible Investments

When compared to our other markets (outside of Singapore), Swiss respondents are significantly more likely to show an interest in Responsible Investments



In which of tomorrow's trends below, if any, would invest your money? Please feel free to select as many answers as you see fit.

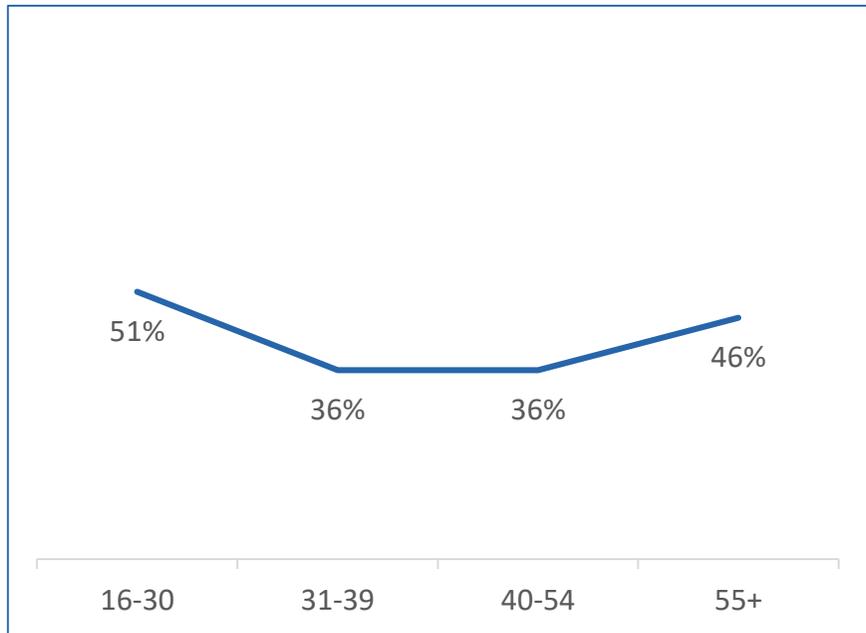
We are seeing the 31-54 year olds less likely to take up a Responsible Investment



Hold a Responsible Investment Product

Responsible Product Holding	
Males	45%
Females	40%
Have children	39%
No children	44%
Non Mass Affluent**	40%
Mass Affluent*	43%

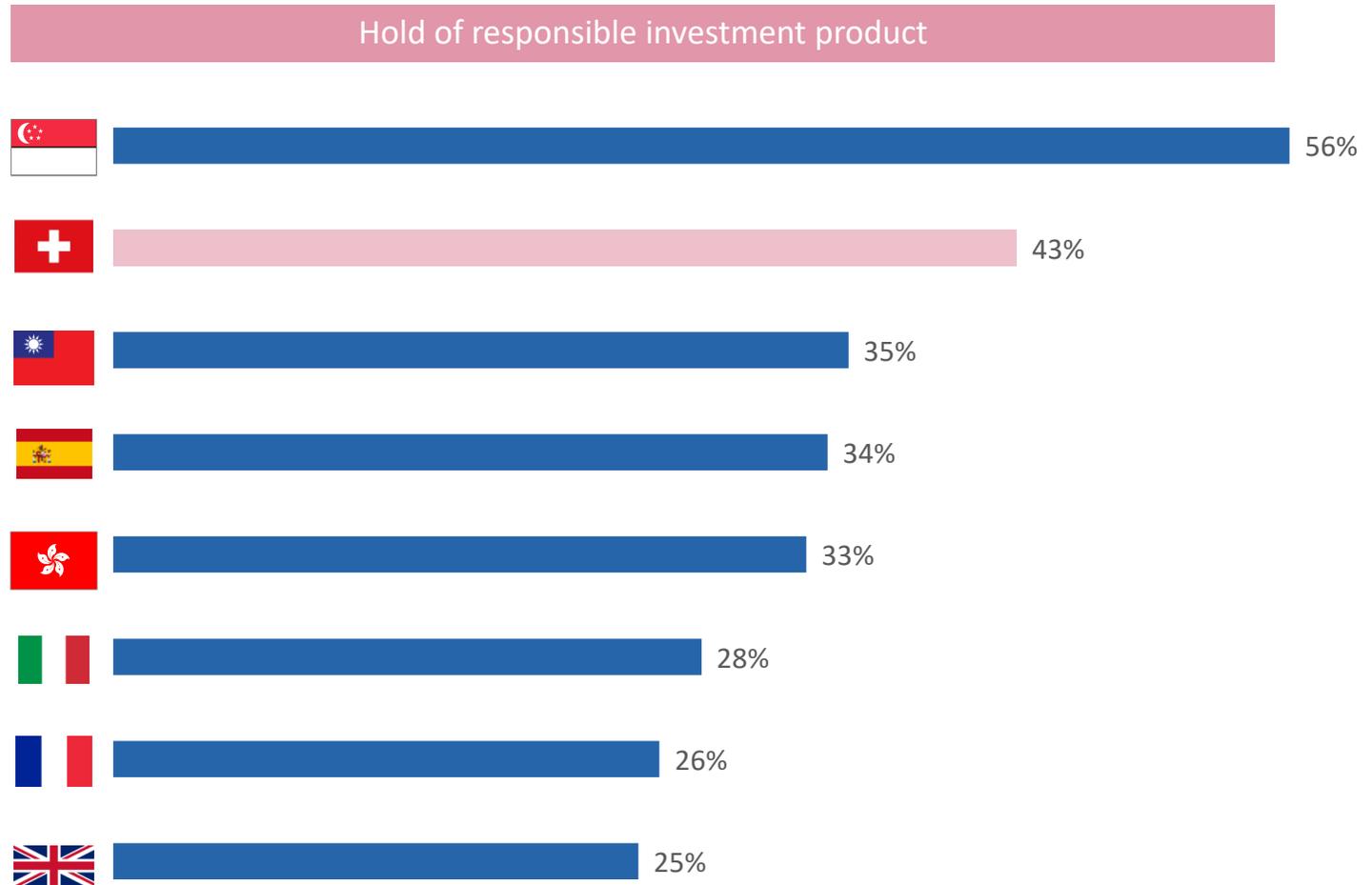
Responsible Investment Ownership over the lifespan



A common definition of responsible investment is: an investment strategy, which seeks to generate both financial and societal value. It consists of a set of investment approaches that integrate environmental, social and governance (esg) and ethical issues into financial analysis and decision-making. Bearing in mind this description, do you hold a responsible investment?

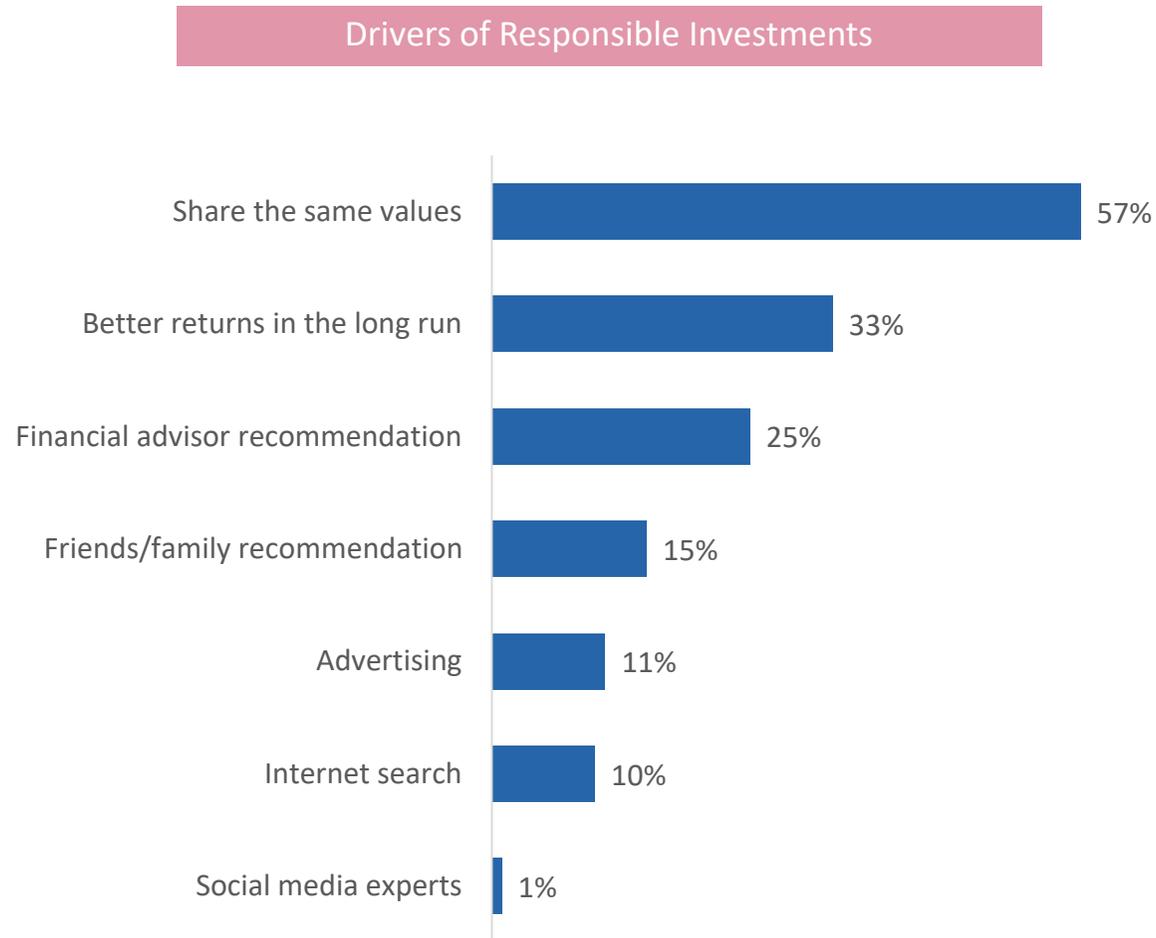


Singapore and Switzerland are leading the way with Responsible Investment Holdings



A common definition of responsible investment is: an investment strategy, which seeks to generate both financial and societal value. It consists of a set of investment approaches that integrate environmental, social and governance (esg) and ethical issues into financial analysis and decision-making. Bearing in mind this description, do you hold a responsible investment?

Responsible investing aligns with personal values, but take-up will be reliant on adviser recommendation

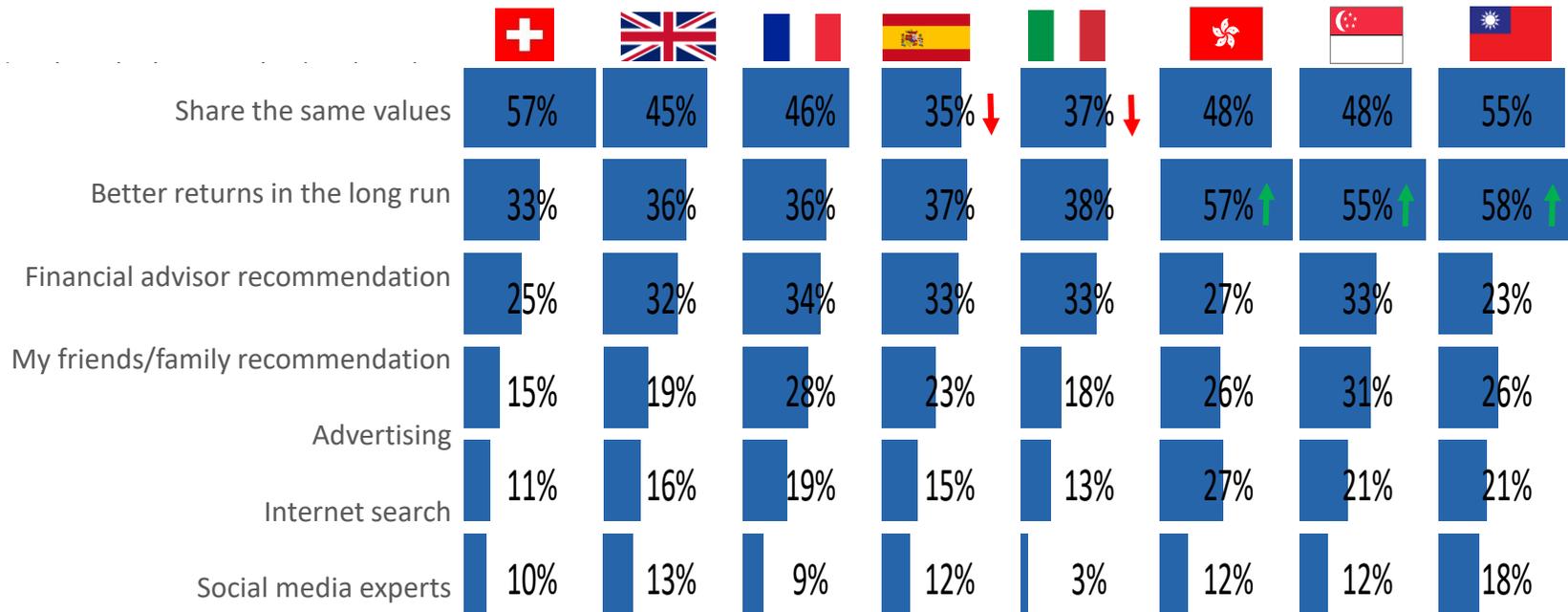


Why did you decide to take out a responsible investment?



Perceptions around long term gains are key drivers for holding a Responsible investment in Hong Kong, Singapore and Taiwan

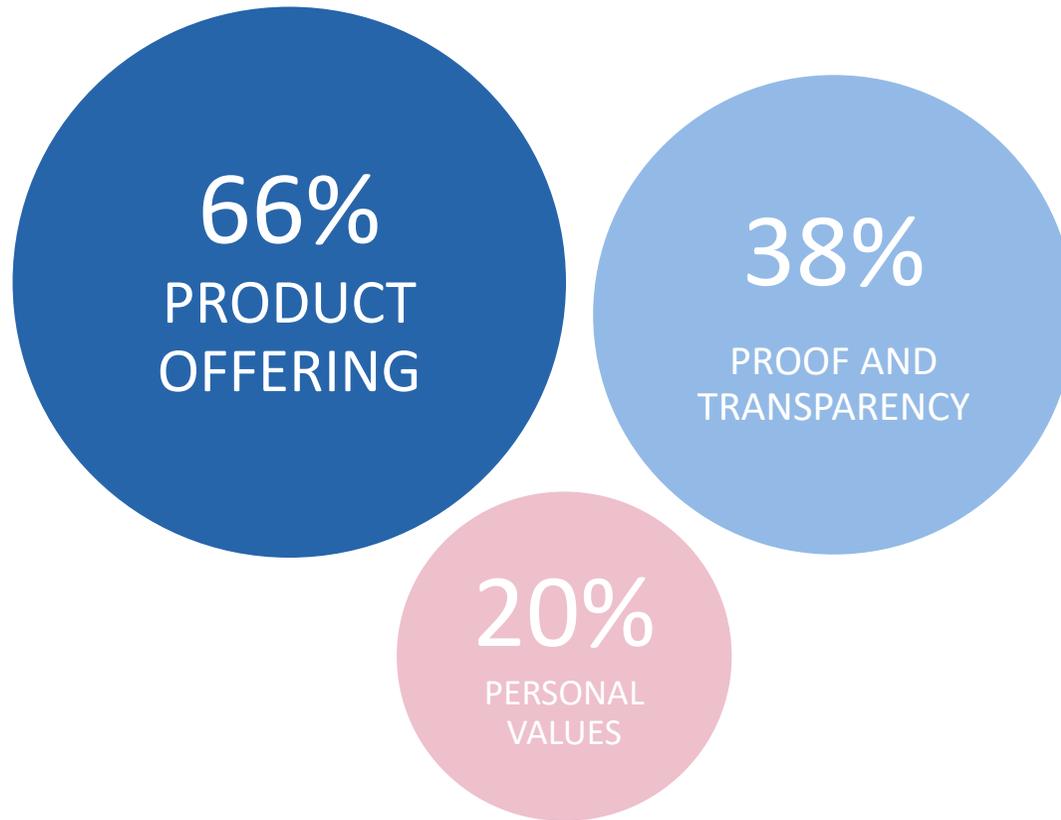
Drivers of Responsible Investments



Why did you decide to take out a responsible investment?



Despite almost half of those who hold a responsible investment doing so because of their values, it is product offering that holds the key to accessing those without a responsible investment

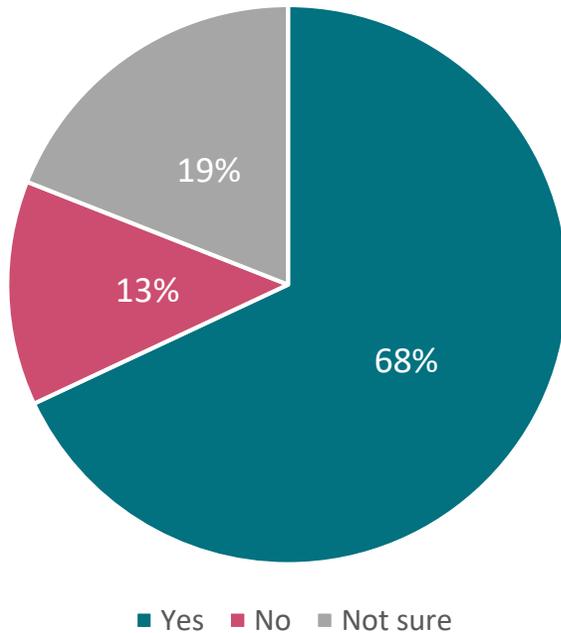


What, if anything would encourage you to consider taking out a responsible investment in the next 12 months?

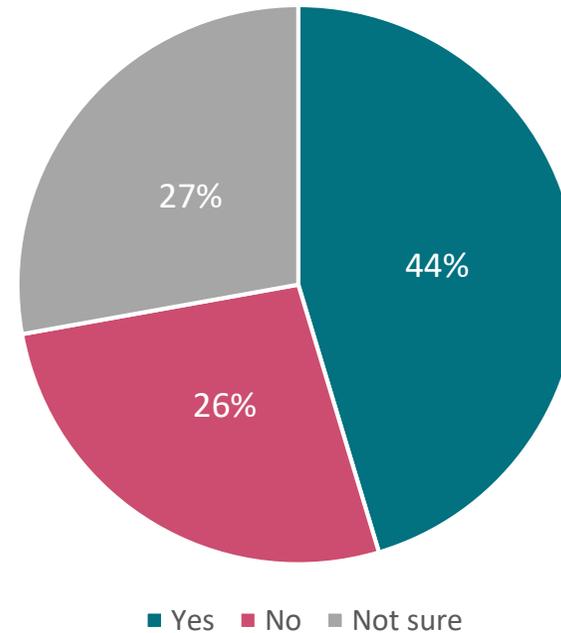


Those who already hold a responsible investment are more likely to trust their asset manager, showing that we need to provide proof if we want to attract new entrants

Trust in asset managers amongst those **who hold** a Responsible Investment



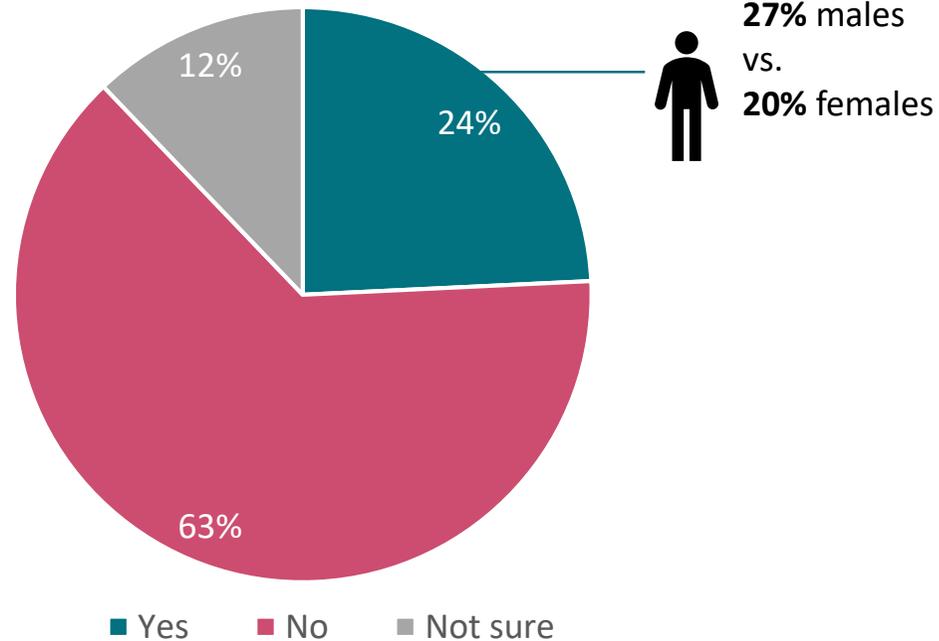
Trust in asset managers amongst those **who do not hold** a Responsible Investment



Do you trust that your asset manager/company responsible for your investment will invest your money in an ethically and sustainable way?



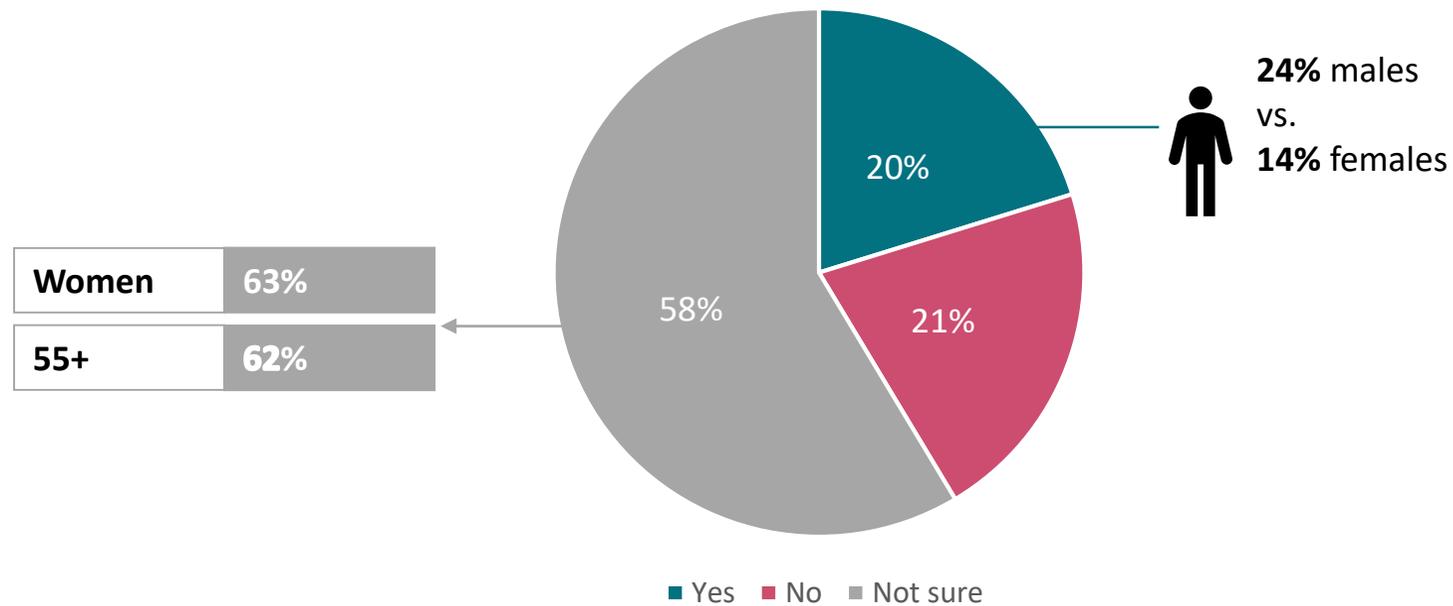
Financial advisors are not yet tapping into this opportunity with only one in four investors having been offered a green/impact fund by their financial advisor



Have you ever been offered green or impact funds by your financial advisor?



Amongst investors who have **not** been offered an ESG or impact fund, more intervention is needed to convert female investors



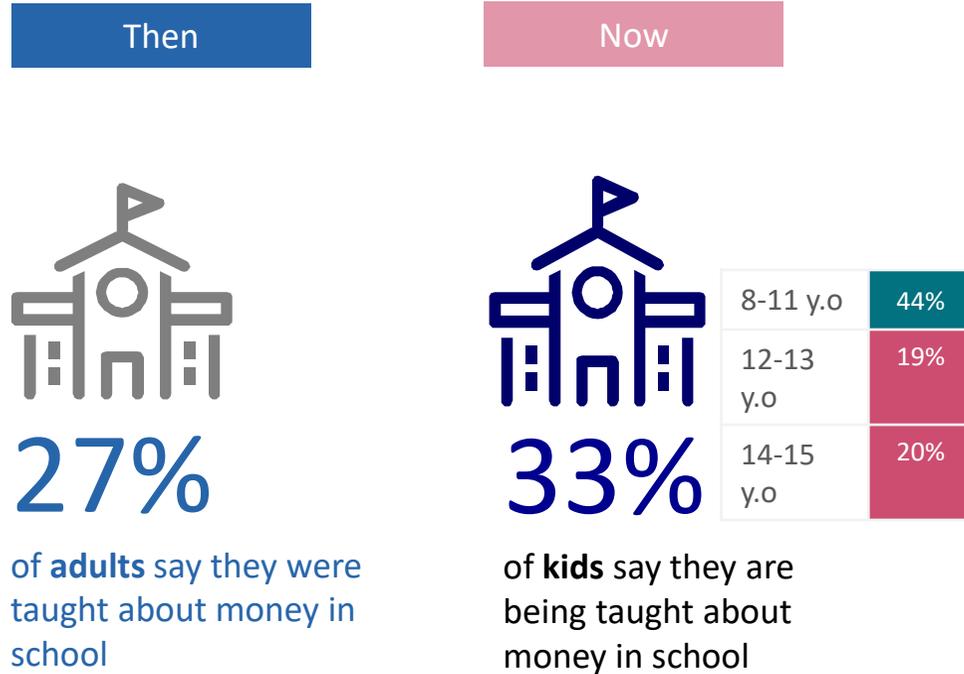
If you wanted to, do you know how to invest in ESG (environmental, social and governance) or impact funds?



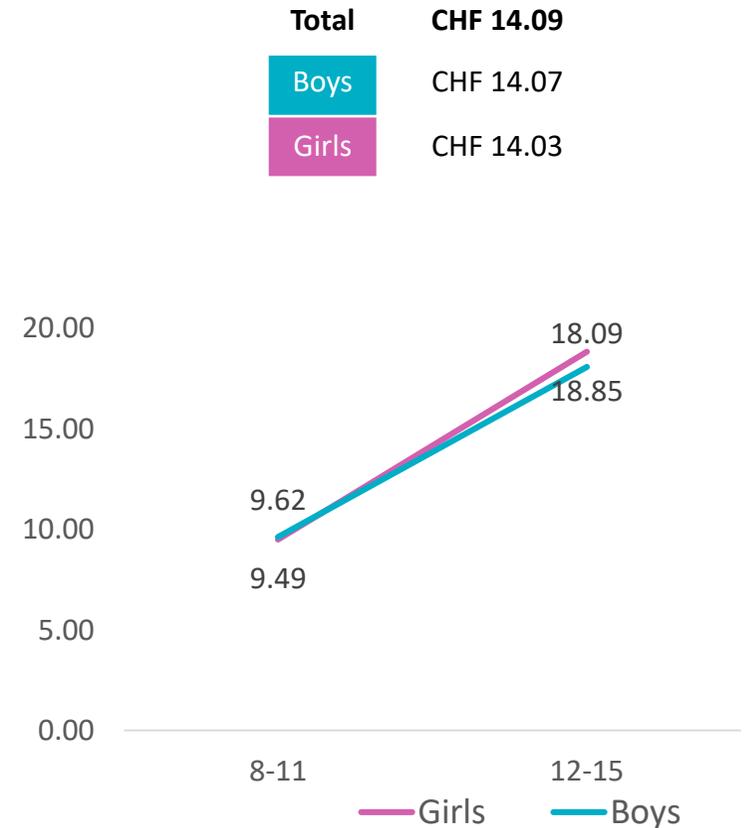
**How does our
upbringing mould
future behaviour?**

A third of children claim they are being taught about money, and this decreases with age despite the older ones better able to put their learnings into practice

EDUCATION THEN VS. NOW



POCKET MONEY RECEIVED PER WEEK



Were you taught about managing your money in primary or secondary school?

Base: (n=2,000)

Thinking now about what you learn at school, do you have any classes or activities that help you learn to manage your money?

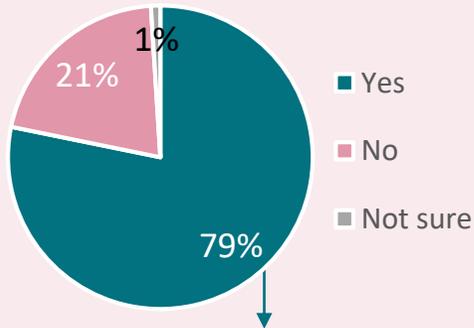
Base: (n=300)

On Average, how much money do you receive a week, counting pocket money and any money you get from a job or doing chores?



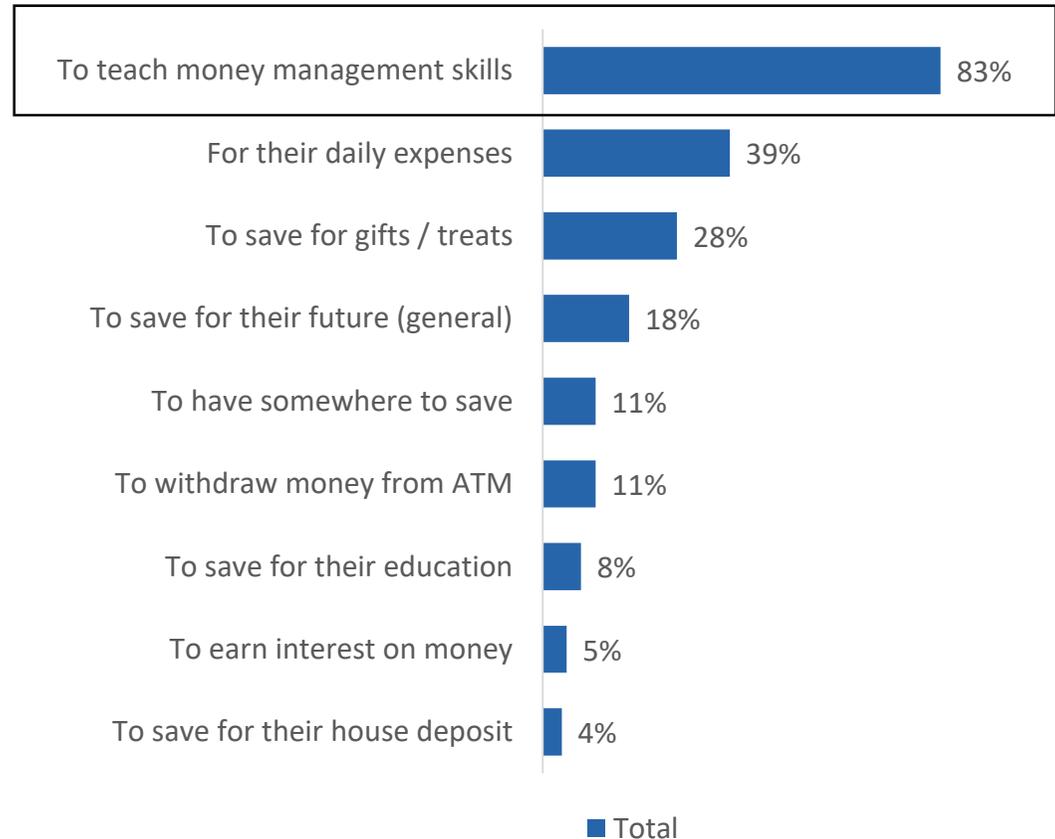
Fortunately, parents have the right intentions when it comes to giving money and are using it as a teachable moment

Do you give your child money to manage?



Age Group	Child receiving money to manage
8-11	73%
12-13	86%
14-15	85%

What is the purpose of giving them money to manage themselves?

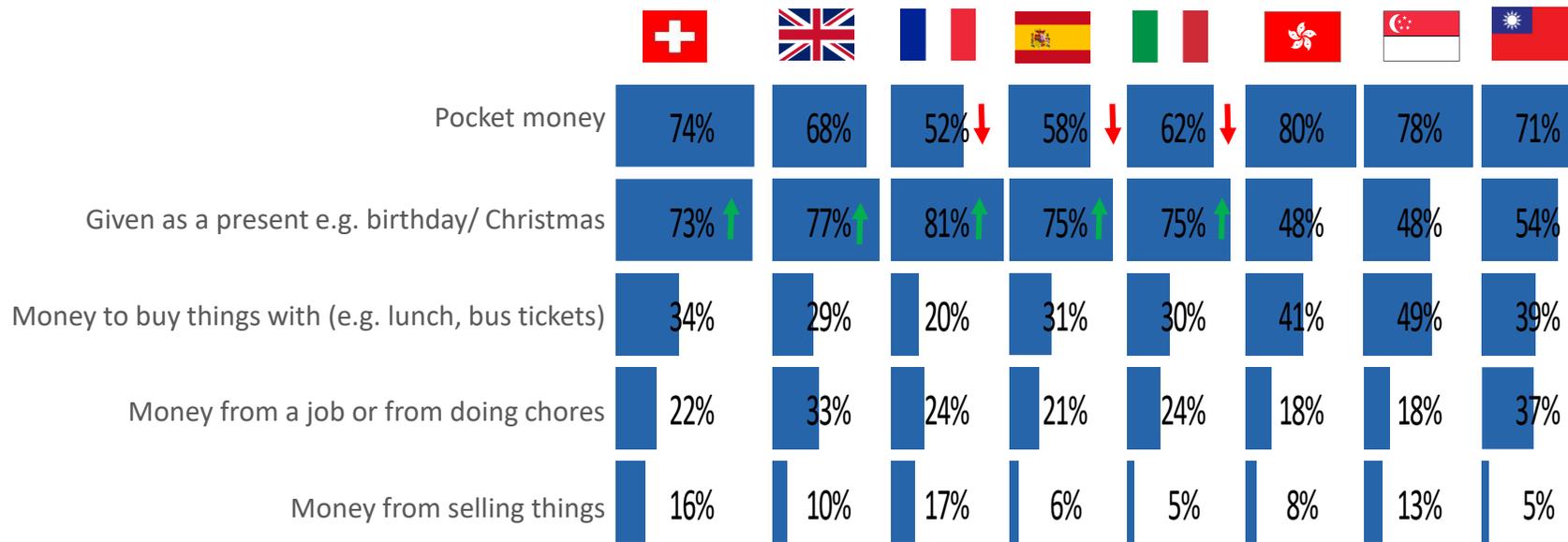


Do you give your child money which they are allowed to manage themselves? Base: (n=300)
 What is the purpose of giving them money to manage themselves? Base: (n=237)

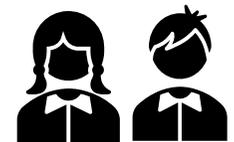


European parents tend to give their children money on an adhoc basis while Asian markets give their children money more regularly

Why did they give you this money? (% shown based on an index)

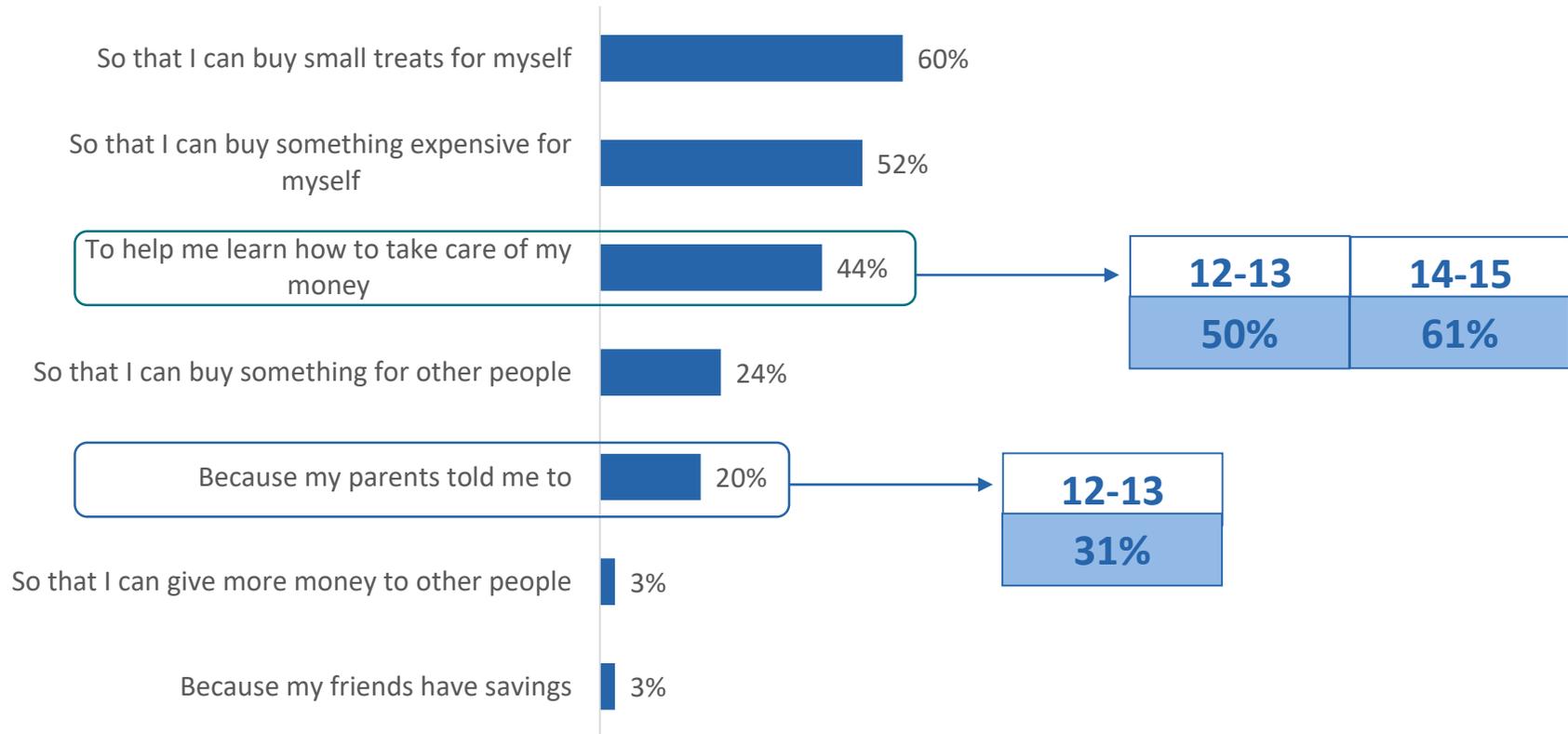


Why did they give you this money? Please tick all that apply



While children appear more short term focused in their spending behaviour, as they grow older they become more aware of their parents' intentions to use savings to educate them

What are the reasons for having savings?



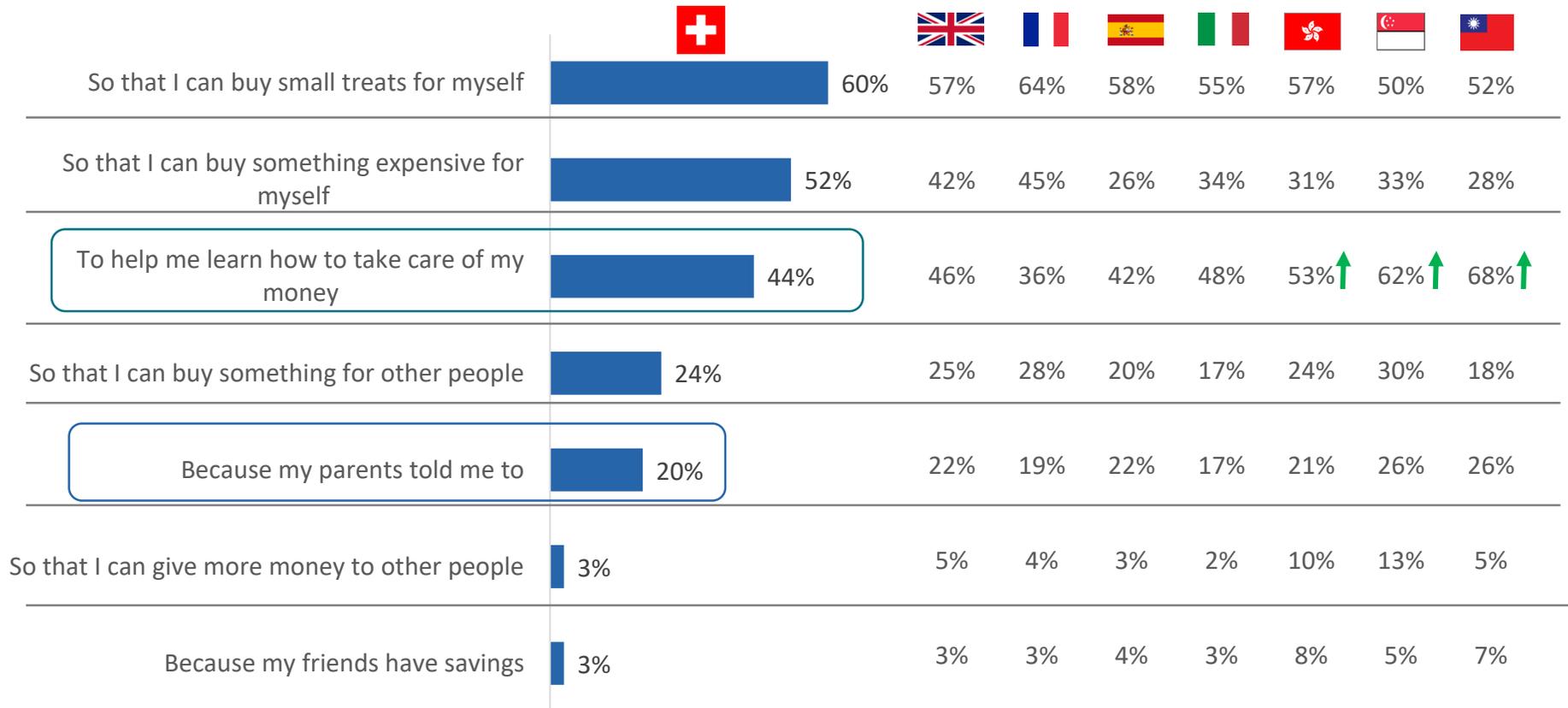
What are your reasons for having savings? Please choose all of the reasons that apply to you.



Significant difference at a confidence interval of 95%

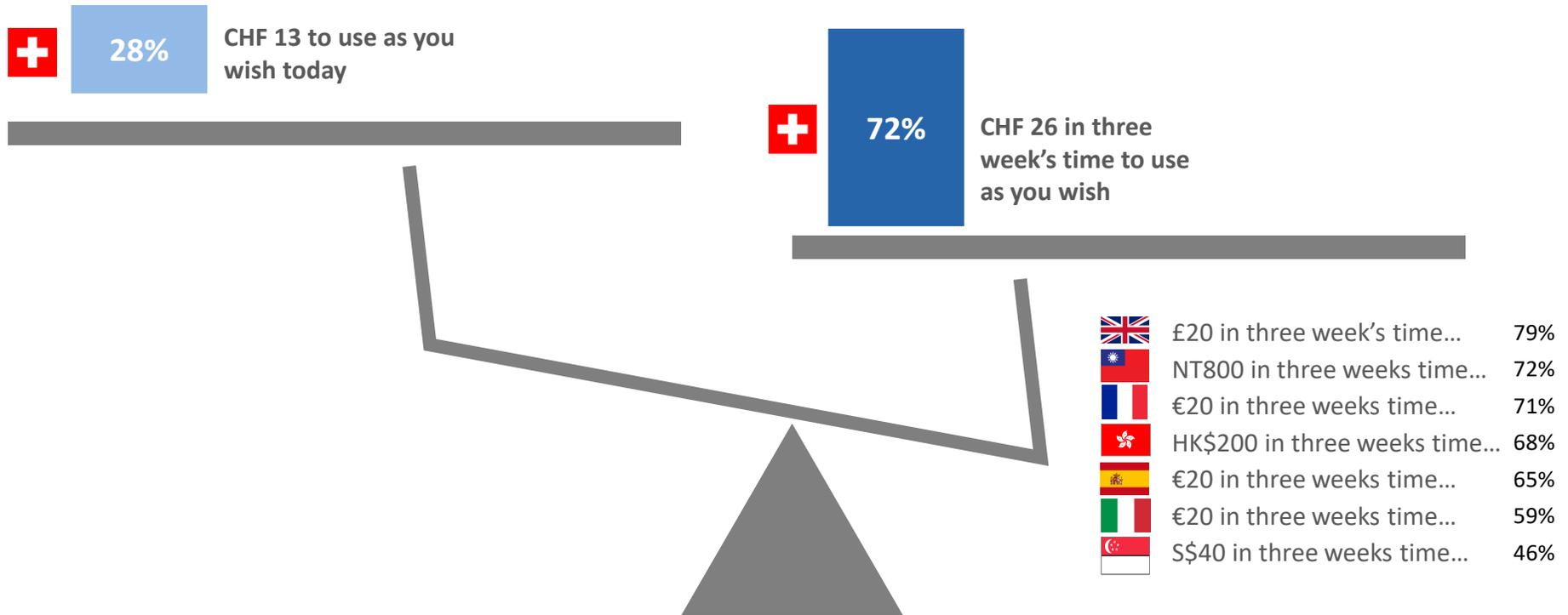
However, children in Hong Kong, Singapore and Taiwan are more likely saving as a means to help them learn how to care of their money

What are the reasons for having savings?



What are your reasons for having savings? Please choose all of the reasons that apply to you.

They intuitively recognise the value of greater returns



Which of these would you rather have: CHF 13 now or CHF 26 in three weeks' time? Which would you pick? You could do anything you like with the money.

While saving is perceived as a positive behaviour the idea of it being fun and their preferred behaviour is somewhat polarising.

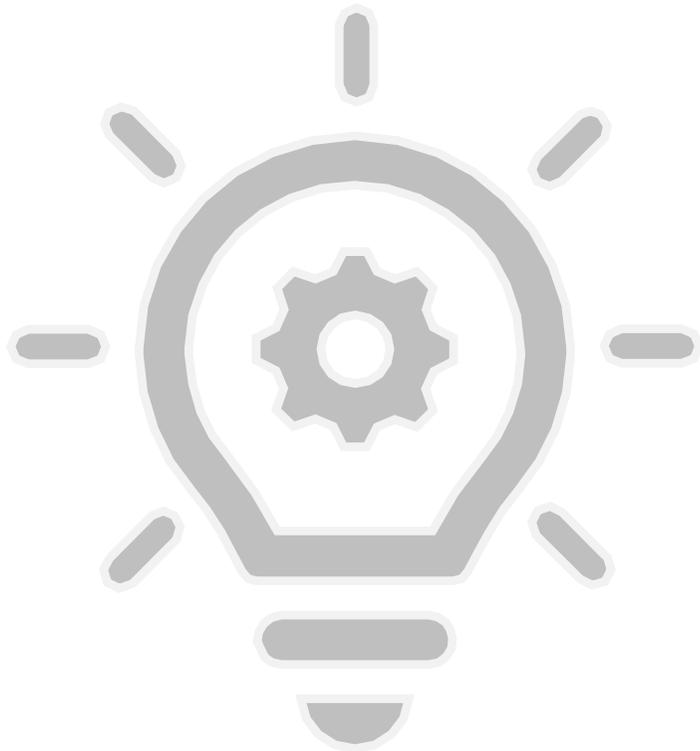


How do you feel about saving? Please move the slider where you think it should go. If you think it is more “fun”, move it to the “fun” end of the line, if it is more boring move it to the “boring” end of the line.

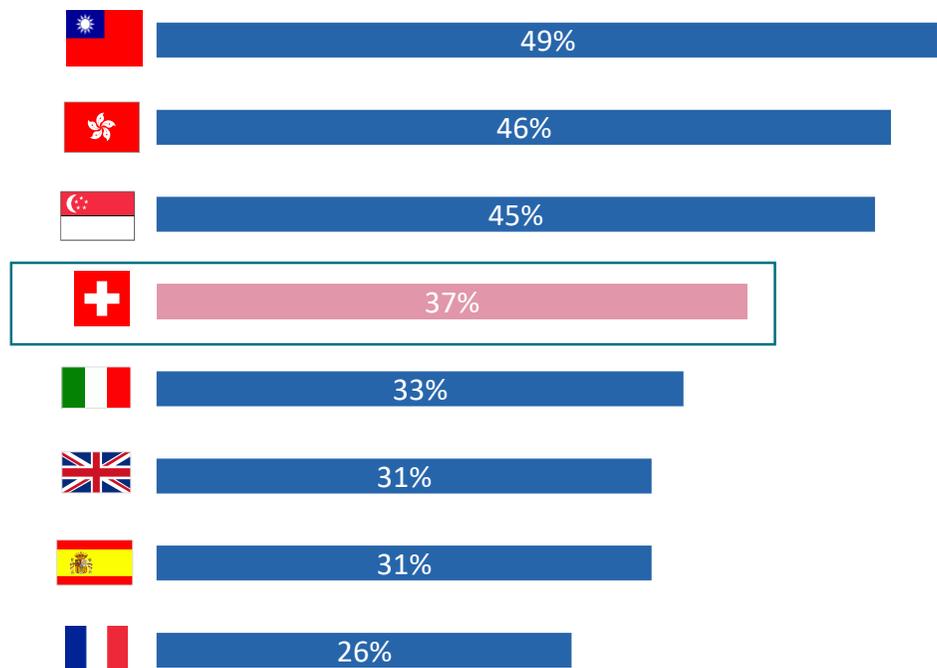


Knowledge Index

The Swiss are in the middle of the knowledge index. But compared to other European markets, they know more.



AXA IM knowledge index (average Knowledge Index across markets)



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