Skandia Millionaire Monitor+

Spring 2012

A survey of millionaires and equivalent wealthy individuals across Skandia's Wealth Management territories

A Member of the OLD MUTUAL Group

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2. About this research

About Skandia

Skandia offers long-term investment solutions. It is part of the wealth management business of Old Mutual plc, a leading international long-term savings group with £272.6 billion of funds under management (30.09.2011).

About CoreData

CoreData Research UK is the London-based arm of a broader specialist financial services and strategy consultancy that has operations in Australia, the UK, the USA, China and the Philippines.

3. Introduction

Millionaire Monitor+ provides a snap-shot of the lifestyle and attitudes of very wealthy people across six countries: the UK, France, Italy, Hong Kong, Singapore and Dubai. These countries represent territories that make up the Skandia/Old Mutual Wealth Management business.

Skandia commissioned CoreData Research to carry out the survey in January 2012. Those surveyed were individuals in the UK with net disposable assets (excluding main property of residence) of £1 million, and the purchasing power parity equivalent in the other countries.

This was defined as:

United Kingdom	1,000,000 GBP
France	886,221 Euro
Hong Kong SAR	1,536,926 HKD
Italy	917,693 Euro
Singapore	1,301,242 SGD
United Arab Emirates	769,749 AED

There were 1,503 respondents in total.
The breakdown by country is:

United Kingdom	436
France	361
Italy	300
Singapore	150
Hong Kong SAR	150
United Arab Emirates	106

4. Executive summary

Comparison of All Six Countries

Personal Wealth

- Income earned from employment is the biggest driver of wealth across all territories, with investments the second biggest, except in Italy, where inherited money is the biggest driver.
- The top three industries where wealth was made are finance (particularly in Italy), manufacturing (particularly in Dubai) and the service industry (particularly in Dubai).
- Italians are the luckiest out of those surveyed: nearly a quarter won their wealth via a lottery or by gambling, compared to just 7% in the UK.
- Around nine out of 10 of all the wealthy interviewed are native to their countries, except in Dubai where 77% are expats.
- All are wealthier than their parents. This is less so in Hong Kong (35% parents are wealthier) and more so in Singapore (only 16% parents are wealthier).

Migration

- In all cases except Dubai, more than half are committed to staying in their current country of residence. Only 30% in Dubai feel this way, with 45% saying they may be tempted to move on.
- In terms of being committed to leave the country, almost one in ten in Italy, France and Dubai say they intend to leave, compared to around one in 20 in the UK.
- A better standard of living is one of the key drivers for a move for people Hong Kong, Singapore and the UK. Employment opportunities are important to people in Dubai and Italy. The weather is the principal driving factor for leaving the country in the UK.
- Switzerland is the most popular country for tax efficient offshore investment across all territories except Dubai, where the Isle of Man and the Channel Islands take the largest specified share.

Wealth Outlook

- Local economic uncertainty is perceived as the greatest threat to wealth in the UK, France and Dubai, whereas in Hong Kong and Singapore they are most concerned with overseas economic uncertainty and a stock market crash.
- The breakdown of banks is a significant concern for the France, Italy and the UK, while in Italy political unrest is the greatest worry.
- In terms of where they intend to invest over the next six months, around four out of five in Dubai, France and Italy favour property (commercial and residential combined). Cash and fixed interest investments are favoured in Hong Kong, Dubai and Singapore, while around two in five in France and Italy are looking to invest in art, antiques and collectables.
- Across the six territories, wealthy people in Dubai showed the most confidence in their personal economic situation improving over the next 12 months, with the Italians showing the least.

- In terms of improvement in the general economic situation over the last 12 months, France and the UK are the most positive. However, when asked what they thought about improvements over the next 12 months, the French remained the most confident, followed by Dubai and Singapore. The least confident were the Italians.
- The economic downturn in 2008 appears not to have had a major negative impact on wealth. Dubai, the UK and Hong Kong appear to have suffered the most but the majority of all surveyed had either seen increases in their wealth or it had stayed the same.

Saving and Investments

- Around a third of wealth is held in property (either residential or commercial) in all territories except for Hong Kong, where it accounts for around 20%.
- Italians like to invest in property within Italy, with 56% of them owning multiple properties there. Wealthy people in Dubai are most likely to own property outside the country.
- Cash is popular for investment money in Hong Kong and Singapore, and least popular in France.

Business

- Italy has the most entrepreneurs; half said they made their wealth from starting their own business. Dubai has the least number, with four out of five saying their made their money from employment.
- The majority of entrepreneurs made their fortune before they were 30, except in Singapore. In the UK, around half made their money before they were 25 years old.
- Hong Kong appears to be the place to make a fast buck: two thirds of the wealthy entrepreneurs there made their money within five years. By contrast, just over one in 10 did so in Italy.
- Families were an important source of help towards starting their businesses for entrepreneurs in Italy and Singapore. In Dubai, almost 7 out of 10 relied on themselves, risking it all to get their businesses off the ground.

Attitude to Risk

- The Italians have the highest appetite for risk, while the wealthy in Hong Kong, Singapore and UK are reasonably risk tolerant. Those in France and Dubai are more cautious.
- Their own and their families lifestyles are the most important factors to the wealthy in Dubai and the UK. Providing for future generations is important to over a quarter in Dubai, France, Italy and Singapore.
- Investing in their own business is more of a factor in Italy and Hong Kong than in other territories.
- The French tendency for caution is borne out by almost two in five agreeing with the statement 'the more risk I take, the more I could lose'.
- Those in Dubai feel the most strongly that the economic crisis which began in 2008 has changed the investment landscape, with the majority of those in Italy, the UK and Singapore also agreeing with this.
- Strong third party endorsement of investment opportunities is particularly important to Italians but is slightly less important to those in the UK and Dubai.

5. Country by country

5.1 UK

Personal Wealth

- Four out of five (79%) are wealthier than their parents.
- Nearly a third (31%) of Britain's millionaires became wealthy by the time they were 30 years old.
- Three quarters (74%) earned their wealth through employment, with 57% saying investments contributed to their fortune.
- Two in five (41%) inherited their money, while 15% made it from their own business.
- The majority (94%) are British nationals, with 6% having moved to Britain from abroad.
- Manufacturing (21%), IT/Telecoms (21%), finance (18%) and the service industry (17%) are the top jobs where wealth was earned.
- More than two in five (44%) don't have confidence in the government's economic policies.

Mobility

- Although more than half are committed to residing in the country, almost 45% would consider leaving. This includes 6% who have already made the decision to move.
- Just over one in five (22%) say the weather is the reason they would move away from the UK, with 20% hoping for improved living standards.
- The top three countries for tax efficient investment are Switzerland (14%), the Isle of Man (11%) and Bermuda (9%).

Wealth Outlook

- Local economic uncertainty (26%), a stock market crash (20%), the breakdown of banks (18%) and overseas economic uncertainty (16%) are the top four threats to wealth.
- 42% say they intend to increase their investment in cash over the next six months, with shares (40%) and property (55%) also popular.
- Only 10% say they will increase their exposure to ETFs.
- Almost half (46%) believe the economic situation will get worse over the next 12 months.
- Despite pessimism over the economy, just over half (51%) have seen their wealth increase since 2008, with just over one in five (21%) saying it has stayed the same.

Saving and Investing

- Residential property is popular with wealthy Britons: just under a third of their wealth is invested in this sector.
- Cash (18%), shares (16%) and managed investment funds (13%) are the next most popular after property.
- They are least likely to hold their wealth in ETFs or hedge funds (both 1.3%).
- They do not have much of a propensity to own property abroad: half (51%) have a single property in the UK while almost a third (32%) own more than one property in the UK.
- Only 7% own property abroad alongside their single property in the UK.

Toby

Toby is a young entrepreneur who made his money by the time he was 30 in the IT business. He believes property is the best investment and has a flat in London plus a string of properties he rents out to students in the town near where he went to university.

He gets fed up with the British weather and has toyed with the idea of moving abroad. He's worried by the economic uncertainty in Britain and he's lost a bit of faith in government policies since last summer but he's happy that his own personal wealth hasn't suffered and he's seen strong increases in his investments since the crash in 2008.

He considers himself a saver rather than a spender but he's not afraid to speculate to accumulate, even though the economic downturn has made him think twice about how he invests.

Business

- Almost three out of ten (29%) made their wealth from starting their own business.
- Over half (53%) started their business before the age of 25.
- 60% made their wealth from their business in a decade or less.
- Two in five (41%) launched their own business without help from either their family or a bank.
- Three in ten (29%) had help from a bank while almost the same percentage (28%) were aided by family.

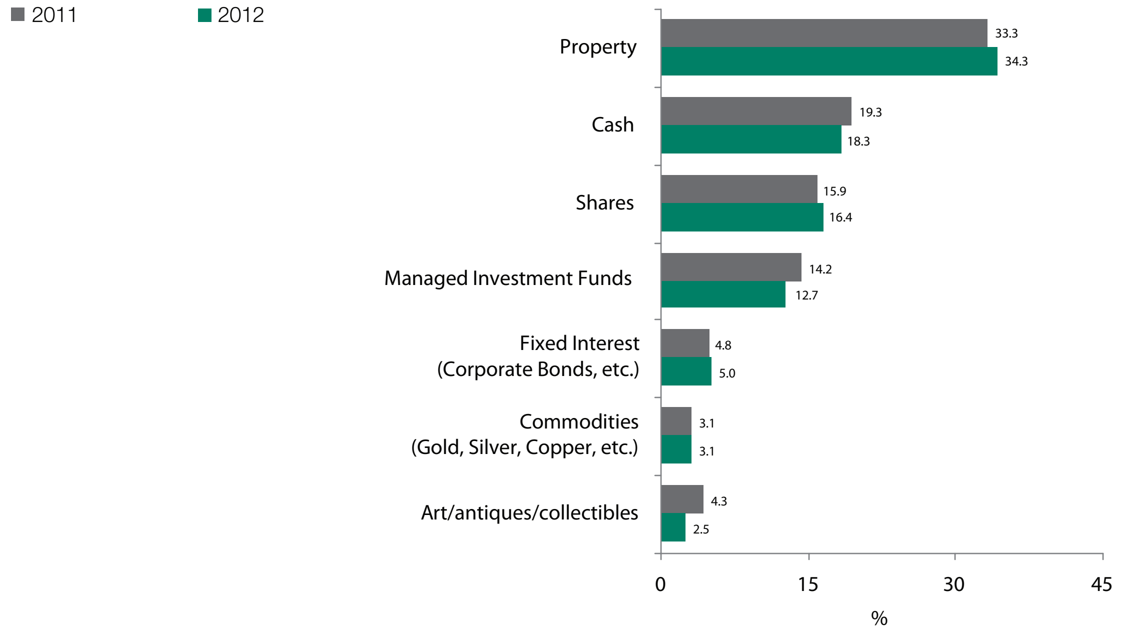
Risk

- Over two in five (43%) say they have a high or very high tolerance to risk. Just under a quarter of them (23%) have a low or very low tolerance to risk.
- A third (34%) claim to be risk neutral.
- Family (present and future) features as the number one concern for this group (59%). One in five is concerned about providing for future generations
- Almost three quarters (73%) agree the downturn changed the investment landscape and two thirds (67%) say it affected their expectations for future returns.
- Around two in three (67%) either strongly agree or agree that having different types of investments lowers their risk and a fifth (21%) strongly agree with the notion that they now pay more attention to risk.
- Over half (52%) trust independent financial experts when it comes to money matters (33% independent financial advisers; 19% accountants).
- Nearly three quarters (72%) regard themselves as 'savers' rather than 'spenders'.

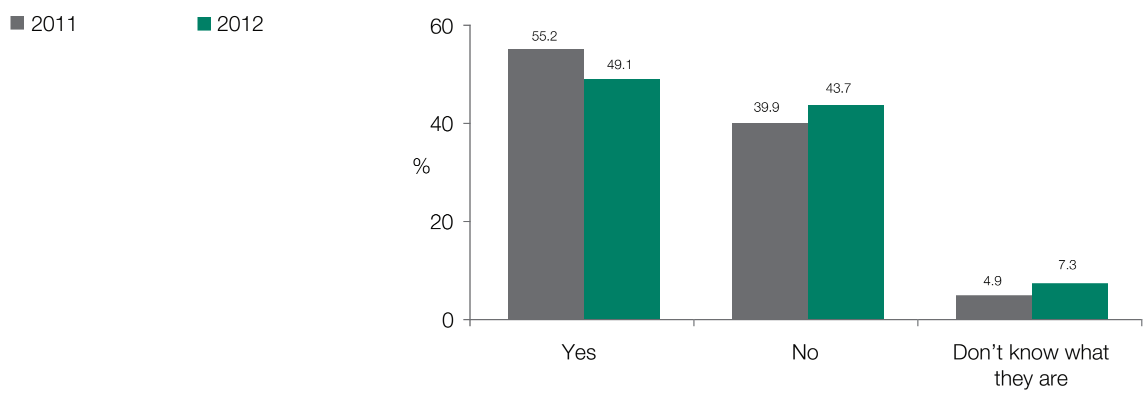
5.1.1 UK Comparative Summary (June 2011 v January 2012)

In June 2011 Skandia undertook a survey of 549 UK based people with £1 million or more of investable assets. In this section we compare the findings with the latest survey results.

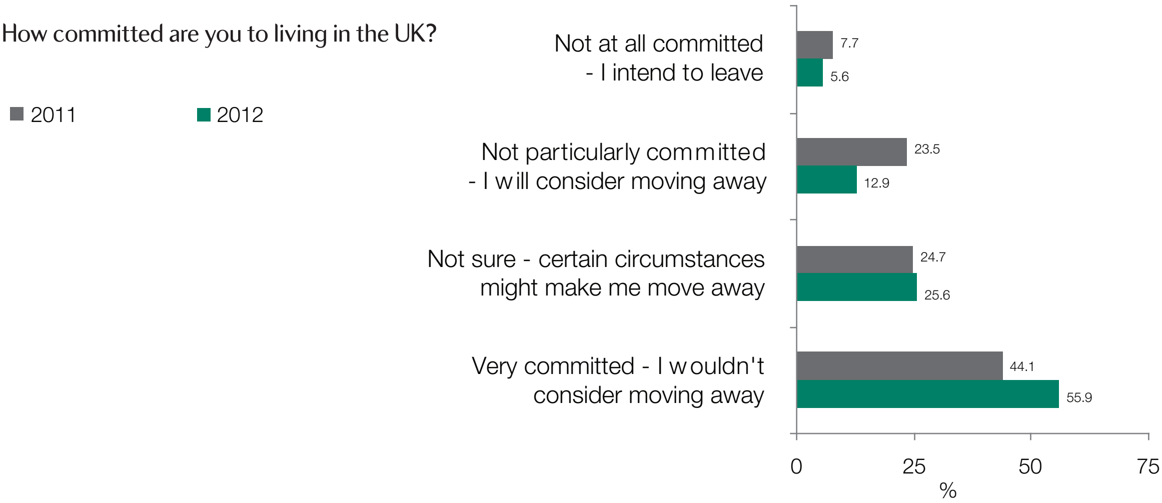
a. What approximate proportion of your wealth is held in the following investments?



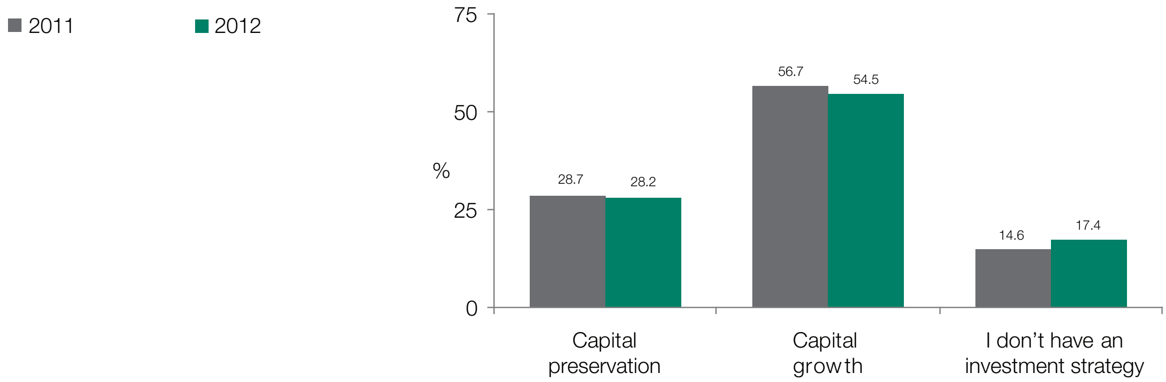
b. Do you have confidence in the current government's economic policies?



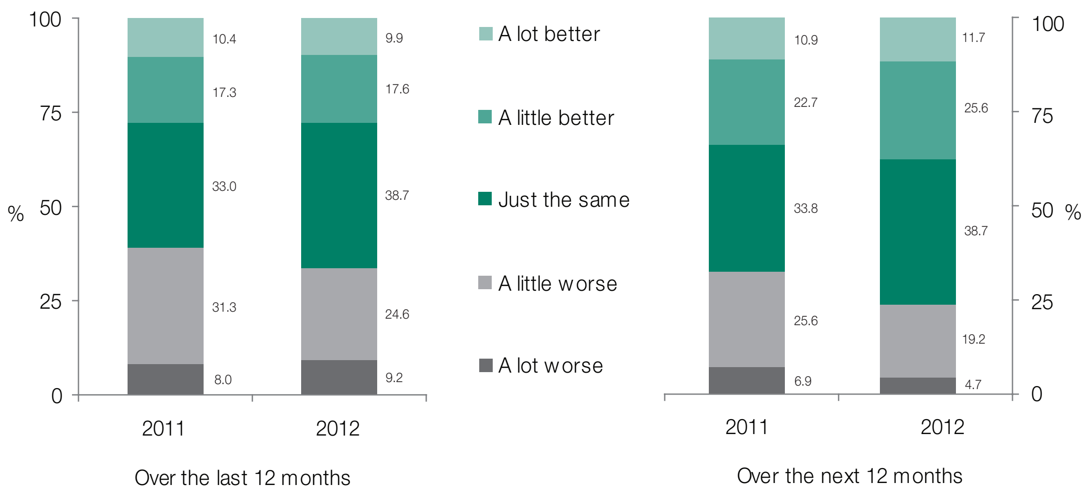
c. How committed are you to living in the UK?



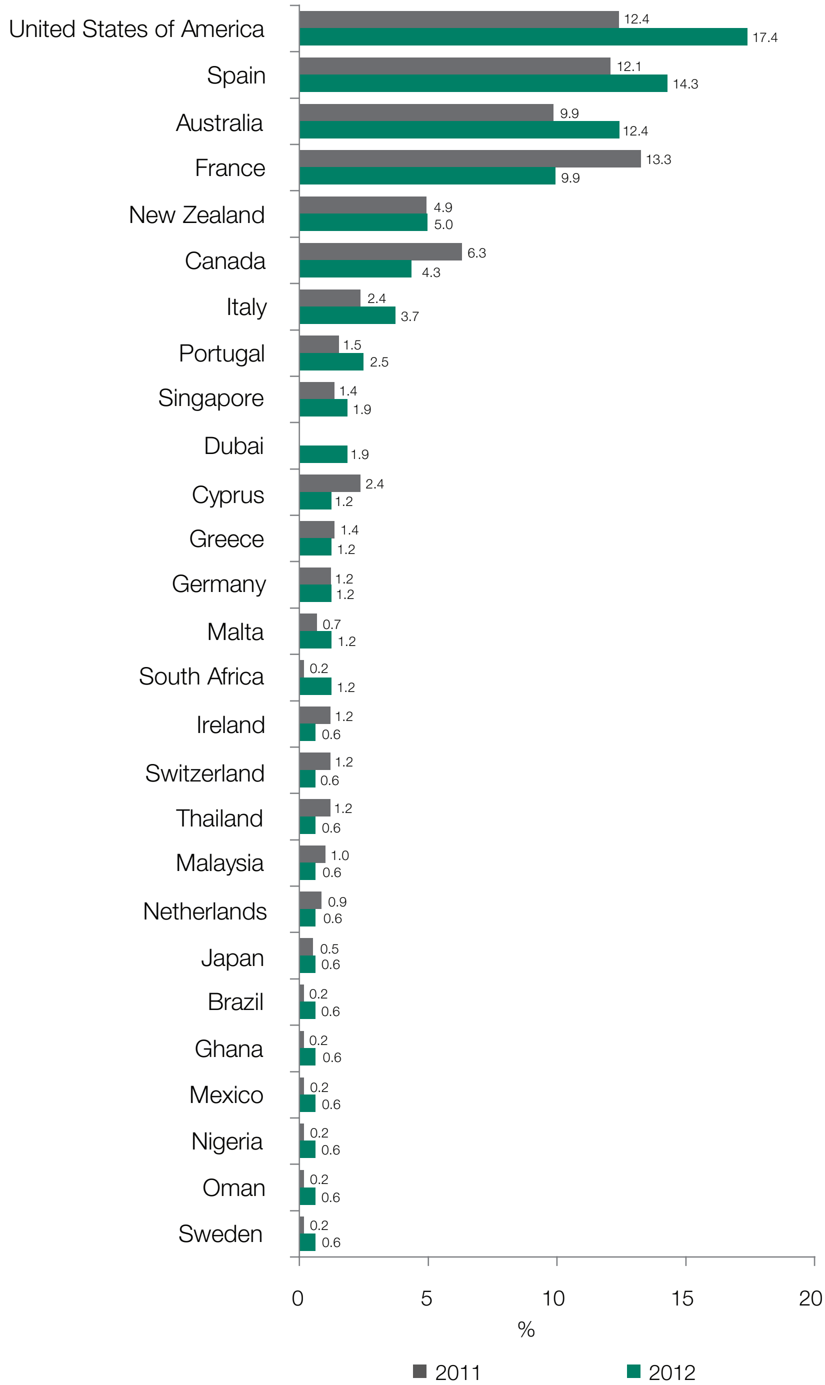
d. What is the primary objective of your investment strategy?



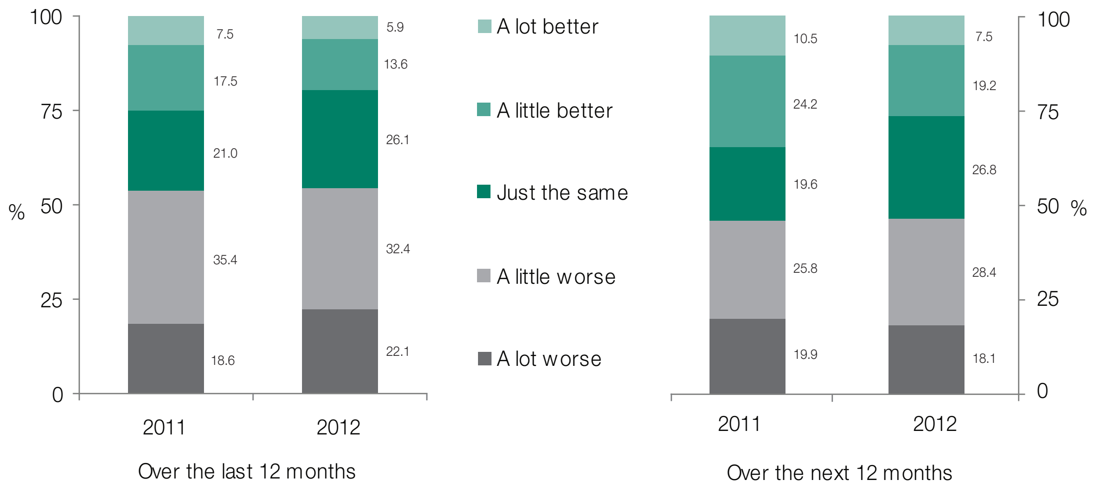
e. How would you rate the financial situation of your household?



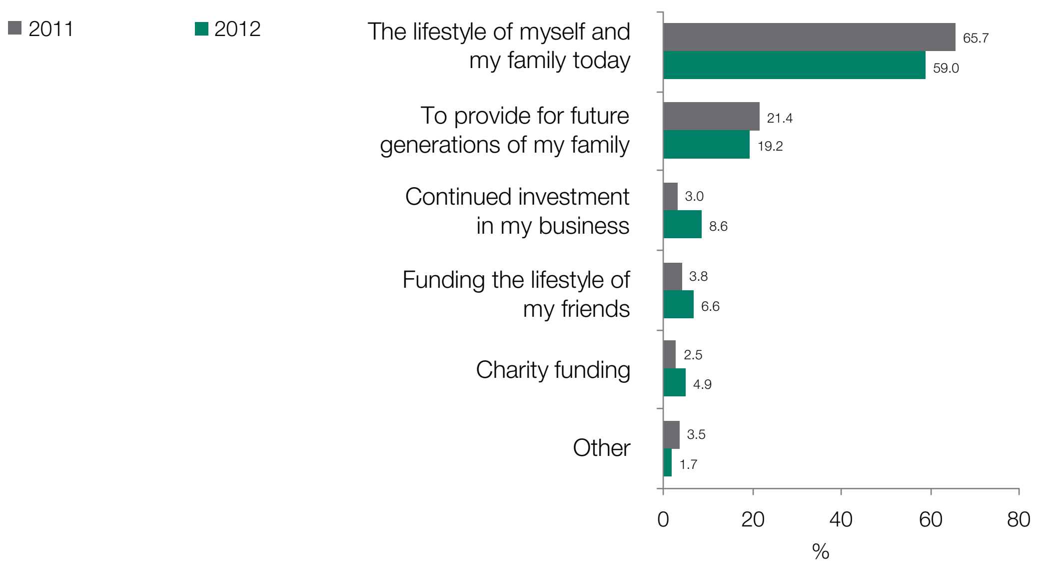
f. Where would you choose to live if you left the UK?



g. How would you rate the general economic situation in this country?



h. What is the most important consideration for you in relation to your wealth?



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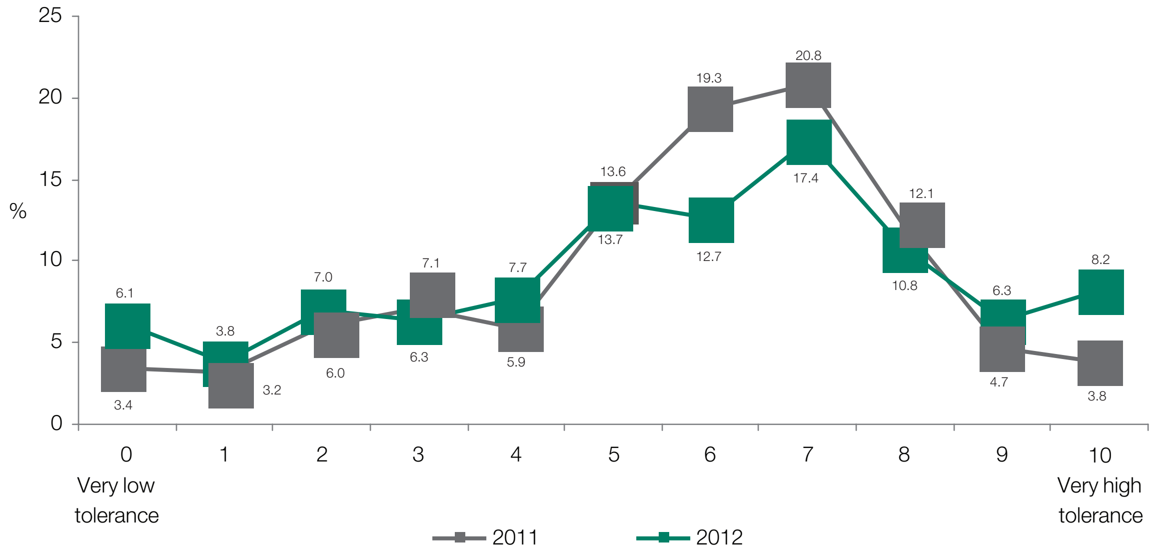
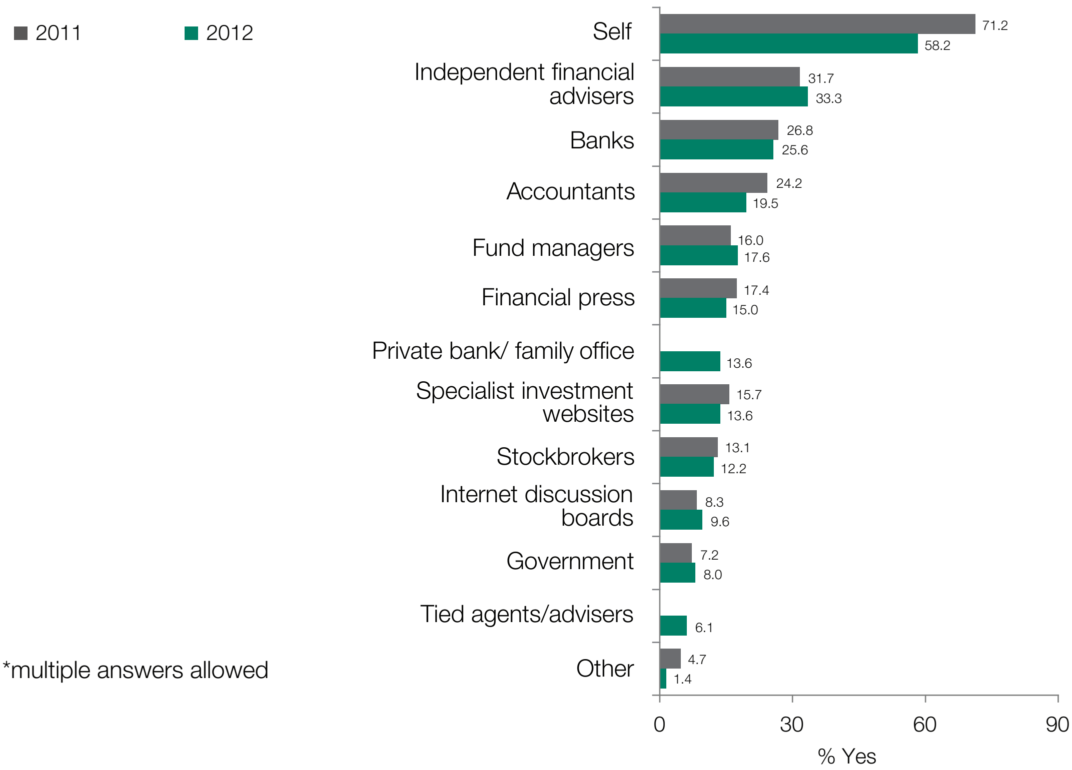
i. How would you rate your attitude to risk?

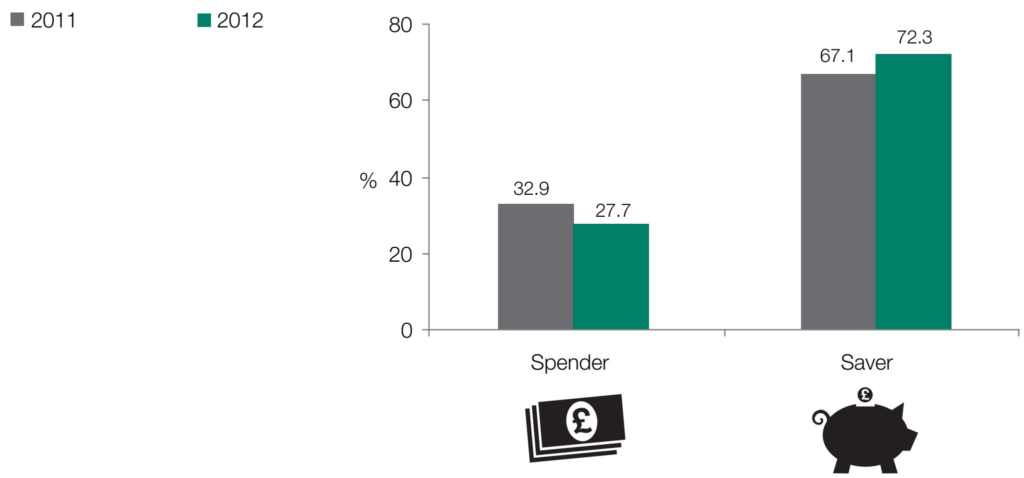


j. Which of the following do you trust to handle your money, give you good advice and/or help you meet your financial goals?



*multiple answers allowed

k. If you had to choose, which of the below two choices best describe you?



l. University Attendance (with type of school attended)

	Overall	Percent		Percent	
	Percent	2011	2012	State	Private
University of London	9.2	10.9	7.5	60.0	40.0
Oxford University	7.8	7.8	7.8	55.0	45.0
University of Cambridge	4.9	5.5	4.3	56.0	44.0
University of Leeds	3.3	3.9	2.7	58.8	41.2
University of Manchester	3.0	3.5	2.4	80.0	20.0
University of Edinburgh	2.9	2.3	3.5	68.8	31.2
University of Birmingham	2.9	4.3	1.6	73.3	26.7
University of St. Andrews	2.5	3.5	1.6	46.2	53.8
University of Glasgow	2.3	1.6	3.1	83.3	16.7
Aston University	2.1	2.0	2.3	54.5	45.5
University of Bristol	1.9	2.3	1.6	90.0	10.0
The Open University	1.8	1.6	1.9	88.9	11.1
University of Liverpool	1.8	2.0	1.6	100.0	0.0
University of Southampton	1.6	0.8	2.3	87.5	12.5
University of Portsmouth	1.4	1.2	1.6	57.1	42.9
University of Brighton	1.2	0.4	1.9	100.0	0.0
University of Leicester	1.2	1.2	1.2	66.7	33.3
Brunel University	1.0	1.2	0.8	100.0	0.0
Imperial College London	1.0	0.8	1.2	66.7	33.3
Lancaster University	1.0	0.8	1.2	80.0	20.0
Newcastle University	1.0	0.8	1.2	60.0	40.0
Nottingham University	1.0		1.9	80.0	20.0
University of Greenwich	1.0	1.2	0.8	100.0	0.0

5.2 France

Personal wealth

- Three quarters (74%) are wealthier than their parents.
- The top three ways wealth was accumulated are through employment (68%), investments (52%) and inheritance (40%).
- The majority (96%) are French nationals with only 4% saying they are expats (33% from Italy, 13% from Zimbabwe).
- 15% made their money through the sale of their own business, 15% made it through marriage and 7% won it through a lottery or other form of gambling.
- Finance (24%), service industry (20%), manufacturing (19%) and IT/Telecoms (17%) are the top four industries where wealth was made.
- Half (50%) don't have confidence in the government's economic policies.

Mobility

- Two in five (41%) would consider moving away from France.
- There are a range of reasons why they would consider leaving: a better standard of living (16%); high taxation in France (15%); employment opportunities (13%) and government policies (11%) are the top ones.
- Switzerland (21%), Bermuda (17%), Monaco (12%) and Luxemburg (11%) are their top countries for tax efficient offshore investments.

Wealth outlook

- Local economic uncertainty (21%), breakdown of banks (20%) and a stock market crash (16%) are the top three factors perceived as a threat to their wealth.
- They are likely to increase their exposure to property over the next 12 months (50% residential; 30% commercial).
- Precious metals (40%) and art, antiques and collectables (40%) are also likely to see more investment from this group.
- They are quite pessimistic about the future with 55% predicting that the general economic situation in France will get either a little or a lot worse over the next 12 months. However, only 32% believe their own financial situation will get worse in the same period.
- 57% have seen their wealth increase since the economic downturn in 2008.
- One in five (21%) has seen their wealth decrease since 2008.

Saving and investing

- The majority of wealth is held in property (29% residential; 6% commercial), with shares (18%) the next most popular.
- Only 8% is held in cash.
- All own property in France with 42% owning multiple properties in the country.

- Less than a quarter (22%) own property outside France.
- Spain (16%), USA (13%) and Switzerland (10%) are the three top countries for owning property outside France.
- Two thirds (63%) have a pension. One in five (20%) don't have one because they believe pensions don't work.
- 16% are retired and are drawing on a pension.

Business

- A third (33%) made their wealth starting their own business.
- Half (50%) started their business before the age of 25.
- 60% made their wealth from their business in a decade or less.
- More than a third (37%) had help from a bank, while 21% were aided by family.

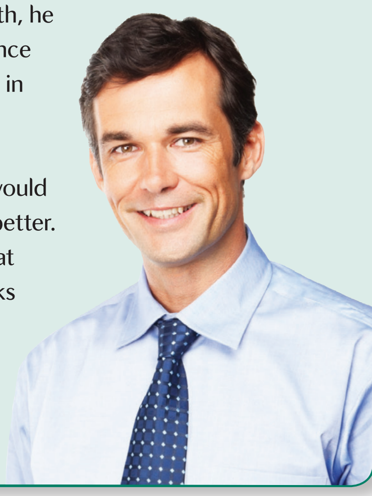
Risk

- They have a fairly cautious approach to investing. 68% say they have a very low, low or medium tolerance for risk. Only around a third (32%) have high or very high tolerance for risk.
- 68% describe themselves as 'savers' rather than 'spenders'.
- Lifestyle of themselves and their family is the most popular consideration for their wealth (43%).
- Priority of future generations is their second highest priority (27%).
- Almost half (46%) trust banks to provide good financial advice.

Alain

Alain was born in Paris and works there as director of finance for a large corporation. While he enjoys living in France and owns a couple of holiday homes in the South, he is worried about the economic uncertainty in the country and has little confidence in the government's economic policies. He feels it's unlikely to get much better in the future.

He has invested money offshore in Switzerland and is looking into how easy it would be to move there in the near future as he thinks his standard of living might be better. He has a pension and invests in the stock market but he's looking more closely at investing in things like art, antiques and gold in the near future because he thinks this might be a safer investment. He describes himself as having a low tolerance for risk.



5.3 Italy

Personal wealth

- Around three in four (74%) are wealthier than their parents.
- Inheritance (70%), investing (66%) and income earned through employment (63%) are the top three ways they obtained their wealth.
- A third (33%) became wealthy because of marriage and one in five (20%) through divorce.
- A quarter (24%) won it through the lottery or another type of gambling.
- The majority are locals, with expats only contributing to around one in 10 (11%) of the country's affluent community (90% from France).
- The finance industry (30%), manufacturing (23%), marketing (23%) and legal professions (20%) are the top four sectors where they made their money.
- Two thirds (67%) have confidence in the government's economic policies.

Mobility

- The majority (65%) are very committed to remaining in Italy but a third (35%) would consider a move.
- Employment opportunities overseas (22%), government policies (14%), and high/increasing cost of living (13%) are the three primary factors that would drive them to leave the country.
- Switzerland (26%), Luxemburg (11%) and the Cayman Islands (10%) are the top three tax efficient countries they choose for their offshore investments.

Wealth outlook

- Political unrest (19%), the breakdown of banks (18%) and local economic uncertainty (15%) are perceived to be the greatest threats to their wealth.
- Managed investment funds (46%) and precious metals (44%) can expect to see the greatest inflows of assets over the next six months, with art, antiques and collectables (42%) and commercial property (42%) and residential property (41%) also earmarked for greater allocations.
- Three quarters (76%) say their personal financial situation has improved in the last 12 months, while two thirds (66%) say they believe the general economic situation in Italy has improved over the same period.
- 87% believe their personal financial situation will stay the same or improve over the next 12 months, with 78% predicting the general economic situation in Italy will stay the same or improve over the same period.
- Two thirds (64%) have seen their wealth grow since the global financial crisis in 2008. 30% said they had an increase in wealth of more than 25%.

Renata

Renata was born into a wealthy family and inherited money when her parents died. Her first marriage was to a wealthy entrepreneur and her lawyer managed to get her a good divorce package when they split up. She owns a number of properties in Italy and is committed to staying in the country.

Despite the unsettled times she has confidence in the government's economic policies and believes things are on the up. She has seen good growth in her investments since 2008 so she isn't particularly worried about the future.

She's not afraid to take risks with her investments but she doesn't like to invest heavily in stocks and shares, preferring to put her money into bricks and mortar. She has invested some money offshore, in Switzerland, and is looking at putting some into China as she's heard this could be a good bet for the future. She's also looking at increasing her investment in gold, art and antiques.

Saving and investing

- Property is a popular investment in Italy. Almost a fifth of wealth (19%) is held in residential property, with 10% in commercial property. 15% is in cash, with managed investment funds accounting for 12% and shares 11%.
- All own property in Italy, with more than half (56%) owning multiple properties in the country.
- Nearly a quarter (22%) own property abroad.

Business

- Half (50%) are entrepreneurs who made their wealth from starting their own business.
- More than two thirds (69%) started their business before the age of 30.
- 79% made their wealth within a decade of starting their business.
- A third (33%) got help from a bank, while another third (32%) had help from family. The other third did it on their own, risking it all themselves.

Risk

- Nearly three quarters (71%) say they have a high, or very high tolerance for risk.
- Family is important to them. Over a third (34%) say their own lifestyle and that of their family are their most important considerations for their wealth, followed by providing for future generations (28%).
- 68% describe themselves as 'savers' rather than 'spenders'.

5.4 Hong Kong

Personal wealth

- Two thirds (65%) say they are wealthier than their parents.
- Employment (81%) and investments (79%) are the two largest contributing factors to wealth for Hong Kong's 'millionaires'.
- Gambling is also a significant factor, with one in five (19%) saying they won their money through a lottery or other form of gambling.
- Around a quarter (24%) inherited their fortune and one in 10 (10%) obtained it through marriage.
- Just over a third (38%) became wealthy when they sold their own business (43% say they made their money through their own business).
- Only 6% are expats.
- Finance (26%), service industry (23%), manufacturing (22%), IT/Telecoms (21%) and marketing (19%) are the top five industries where they made their money.
- Around half (49%) have confidence in the government's policies while almost the same percentage (45%) don't.

Mobility

- Two thirds (65%) are very committed to continue living in Hong Kong with around a third (32%) not particularly committed to staying. However, only 3% say they intend to leave.
- A better standard of living (23%) is the top reason for considering a move, with government policies (18%) and society issues, such as crime, poverty etc (16%) the next two highest.
- Switzerland (21%), Bermuda (16%) and Luxemburg (13%) are their top three countries for tax efficient offshore investments.

Wealth outlook

- Overseas economic uncertainty (25%) and stock market crash (24%) are regarded as the two biggest threats to their wealth.
- There is a move to more cautious investing, with 47% saying they will move investments to cash and 38% increasing investment in fixed interest bonds.
- Four out of five (81%) say their financial situation has stayed the same or improved over the past 12 months, with three quarters (73%) saying the same about the general economic situation in Hong Kong over the same period.
- There is optimism for the future, with 86% believing their financial situation will stay the same or improve over the next 12 months and 72% believing the same of the general economic situation in Hong Kong.
- Almost two thirds (63%) have seen their wealth increase since the economic downturn in 2008.

Saving and investing

- Shares (31%), cash (23%) and residential property (17%) are the top three investment choices for this group.
- All own property in Hong Kong, with a third (34%) owning more than one property in the region.
- 17% own property overseas, with a third owning property in China.

Business

- 43% earned their wealth from starting their own business.
- Almost two thirds (64%) started their own business before they were 30 years old, with two out of five (41%) starting them before they were 25 years old.
- Two thirds (66%) made their wealth in less than five years.
- A bank provided over a third (38%) with the help to set up, with almost the same percentage (37%) getting no help and taking all the risk themselves. For a quarter (25%) family provided the help they needed to set up.

Risk

- The Hong Kong wealthy are risk takers. Half (50%) say they have a high, or very high, tolerance for risk, with 45% having a medium tolerance. Only one in 20 (5%) say they have a low tolerance for risk.
- Three out of five (60%) say the economic crisis in 2008 changed the investment landscape, with 61% saying it changed their expectations for future investment returns.
- Four out of five (79%) regard themselves as 'savers' rather than 'spenders'.

Shen

Shen works as a senior partner in the manufacturing business his father started with money he inherited when Shen's grandfather died in 2001. He enjoys living in Hong Kong but might be tempted to leave if he could guarantee a better standard of living, or if social issues such as crime and poverty increase in Hong Kong.

He owns a property in Hong Kong and also owns one in China. He likes to play the stock market as it appeals to his risk-taking nature but the economic climate has made him think twice about how much he has invested in shares and he's considering moving some of his money into cash in the near future.

His confidence in the government is less than it used to be but it's the economic situation abroad that worries him the most as this could mean a stock market crash. He feels reasonably optimistic about the future, believing his financial situation and that in Hong Kong should improve over the next 12 months.

5.5 Singapore

Personal wealth

- More than four out of five (84%) are wealthier than their parents.
- Wealthy Singaporeans have largely become so as a result of employment (89%), through investments (78%) and having their own business (29%).
- One in 10 (10.7%) are expatriates. Of these, four in 10 (40%) had less than a quarter of their wealth prior arriving in Singapore.
- Finance (27%), service industry (23%), manufacturing (18%) and public service (18%) are the top sectors where wealthy Singaporeans made their money. IT/Telecoms (15%) and Marketing (14%) follow closely behind.
- 71% have confidence in the government's economic policies.

Mobility

- Just over half (54%) are committed to living in the country while 44% might consider leaving.
- Just 3% say they intend to leave.
- The high cost of living in Singapore (25%), a better standard of living elsewhere (23%), family and friends overseas (16%) and government policies (14%) are the main factors that could drive them away.
- Switzerland is the most popular choice for tax efficient investing offshore (26%), with the British Virgin Islands (5%), Monaco (4%) and Bermuda (3%) the next most popular.

Wealth outlook

- Overseas economic uncertainty (28%), stock market crash (23%) and local economic uncertainty (13%) are perceived to be the greatest threats to their wealth.
- Over six out of 10 (62%) plan to invest more money into cash, while 47% aim to increase their exposure to precious metals and 41% will put more into fixed interest investments.
- 40% feel their personal financial situation has improved over the last 12 months and 50% believe it will improve over the next 12 months.
- 29% feel the general economic situation in Singapore has improved over the last 12 months and the same percentage believe it will improve over the next 12 months.
- Almost seven out of 10 (69%) have seen their wealth increase since the economic downturn in 2008, with one in 10 seeing it increase by more than 50%.

Saving and investing

- 29% of wealth is held in residential property, with 23% held in cash and 20% in shares.
- All own property in Singapore, with one in five (20%) owning more than one.
- Only a quarter (25%) own property abroad.

Business

- 21% earned their wealth from starting their own business.
- Around a third (34%) got help from family to set up their business, with almost a quarter (24%) getting help from a bank. 41% had no help from family or a bank.
- Nearly two thirds (60%) were over 30 years of age before they started their own business.
- For two thirds (64%) it took less than a decade to make their wealth.

Risk

- Singaporeans have a fairly high appetite for risk. Only 16% say they have a low or very low tolerance. 44% say they have a high, or very high, tolerance for risk, with 40% saying their risk tolerance is medium.
- Three quarters (75%) say the economic crisis in 2008 has changed the investment landscape, with 73% saying it has changed their expectations for future investment returns.
- Aside from relying on their own judgement (65%), banks (39%) and independent financial advisers (40%) are the two routes they most trust for good financial advice.
- Four out of five (81%) describe themselves as 'savers' rather than 'spenders'.

Adam

Adam got a Masters degree at the National University of Singapore and made his money working as a management consultant. Although he has confidence in the government's economic policies he's currently considering whether to move to Australia to avoid the high cost of living in Singapore and improve his overall standard of living.

He likes to spread his risk with his investments and has a mix of property and shares but economic uncertainty overseas is making him nervous so he plans to move more into cash and fixed interest over the next six months. Although his personal wealth has increased by around a quarter since the downturn in 2008, the economic crisis has changed his expectations for future investments and made him slightly more risk averse.

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5.6 Dubai

Personal wealth

- Three quarters (77%) are wealthier than their parents.
- Expatriates account for 77% of the wealthy interviewed in Dubai.
- The top three countries they moved to Dubai from are India (28%), the UK (16%) and the US (7%).
- 90% earned their wealth from employment: only 18% earned it from starting their own business.
- Manufacturing (34%), the service industry (28%) and the finance industry (21%) are the top three sectors where they made their money.

Mobility

- Just under a third (30%) are very committed to continue living in Dubai with the rest not committed to staying and almost one in ten (9%) saying they intend to leave.
- Job opportunities are the driving factor for leaving Dubai (36%), with high cost of living (19%) and friends and family overseas (18%) also factoring.
- The Isle of Man (11%), Channel Islands (11%) and Switzerland (8%) are their top three countries for tax efficient offshore investments.

Wealth outlook

- Local (24%) and overseas (22%) economic uncertainty are perceived to be the greatest threats to their wealth.
- 61% say they are likely to increase investment in cash or fixed interest investments (60%) over the next six months. 60% will increase their investment in residential property.
- Almost three quarters (73%) say their financial situation has stayed the same or improved over the past 12 months, while less than half (48%) believe the economic situation in Dubai has stayed the same or improved.
- Two thirds (63%) say their wealth has increased since the economic downturn in 2008, with more than one in ten (12%) saying it has increased by more than 50%.

Saving and investing

- Almost a third (31%) of wealth is held in residential property, with 15% held in cash.
- All own property in Dubai, with almost a third (31%) owning one in Dubai and more than one abroad.
- The most popular place for owning a property abroad is India (27%), followed by the UK (16%).

Business

- Just 18% are entrepreneurs who made their wealth from starting their own business.
- Just over a quarter (26%) earned their wealth from their own business in less than five years.
- 68% of entrepreneurs had no help from a bank or family but relied on themselves to set up their business.

Risk

- Almost half (48%) are risk neutral, with 27% describing themselves as having a high, or very high, risk tolerance.
- For over half (54%) their portfolio is built around managing their risk.
- For almost two thirds (64%) the economic crisis in 2008 has changed their expectations for future investment returns.
- Just over half (51%) pay more attention to risk than they ever have done before.
- Nearly two thirds (62%) say having different types of investments lowers their risk.
- Almost two thirds (62%) describe themselves as 'savers' rather than 'spenders'.

Sudesh

Sudesh moved to Dubai from India in 1999 to head up a division of a major property development company. The move enabled him to become wealthy, with his investable wealth increasing three-fold within a few years. Even the economic downturn in 2008 hasn't dented his wealth – he's enjoyed a 50% increase in the last three years.

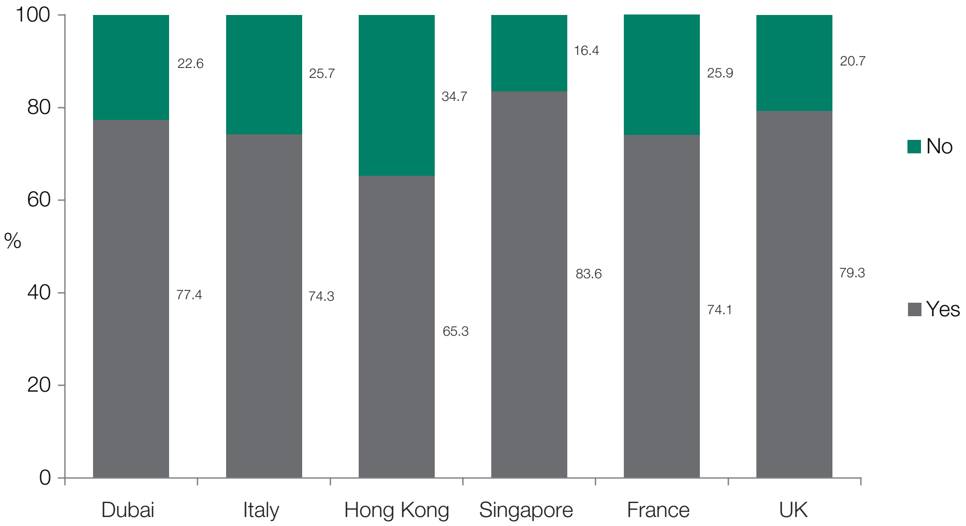
Although he's prospered in Dubai he likes to keep an open mind about moving on and he keeps his eyes open for better job opportunities abroad, perhaps in Australia.

His is very aware of the need to balance risk when it comes to investments. He invests some money in India and has a property there. Local and overseas economic uncertainty is driving him to think about moving more of his investments away from shares and into cash, fixed interest or property. Spreading his risk is important to him: the economic downturn in 2008 means he's more aware of risk than ever and he believes having different types of investments lowers his chances of suffering a drop.

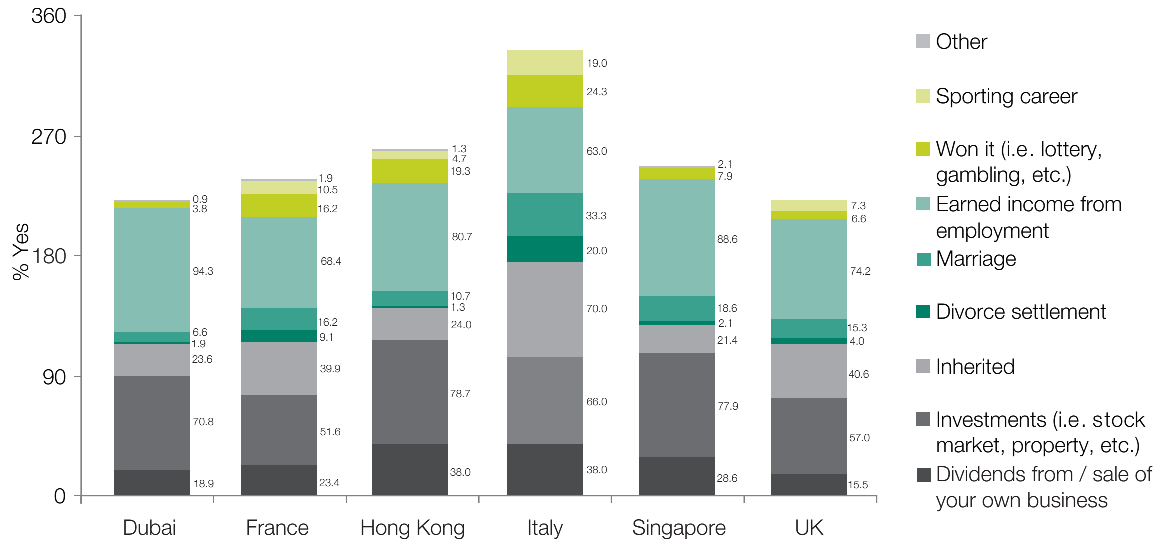
6. Survey data

6.1 Personal wealth

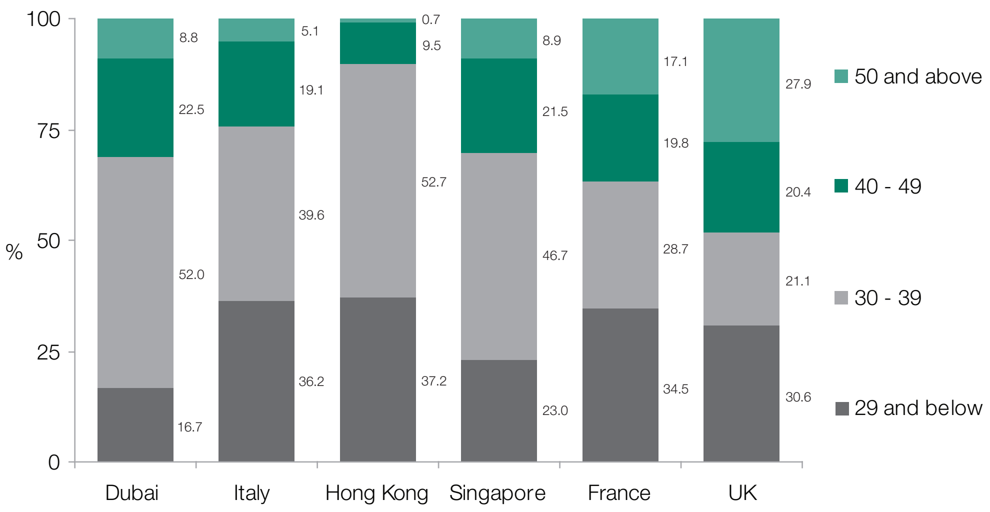
Are you wealthier than your parents?



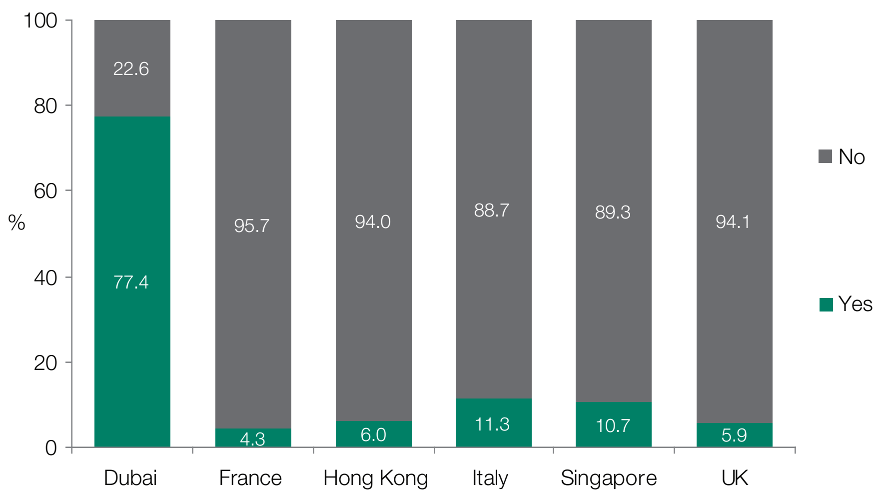
How was your wealth accumulated?



At what age did you assets rise above £1 million or equivalent?



Are you an expatriate (expat)?



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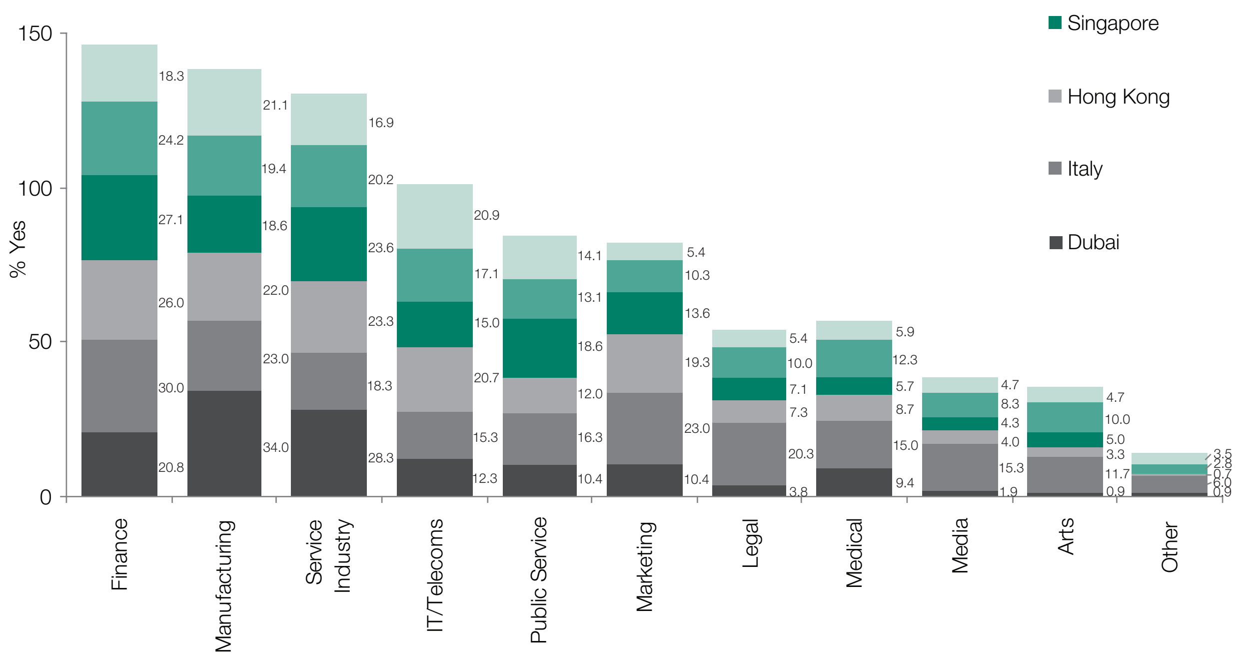
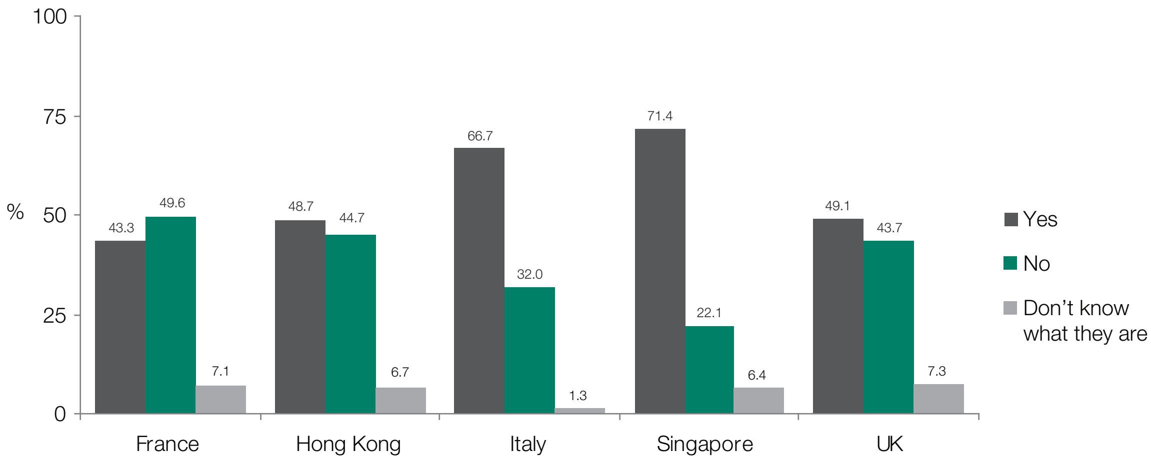
If you acquired all or a significant proportion of your wealth through work, which industry/industries did you achieve this in?



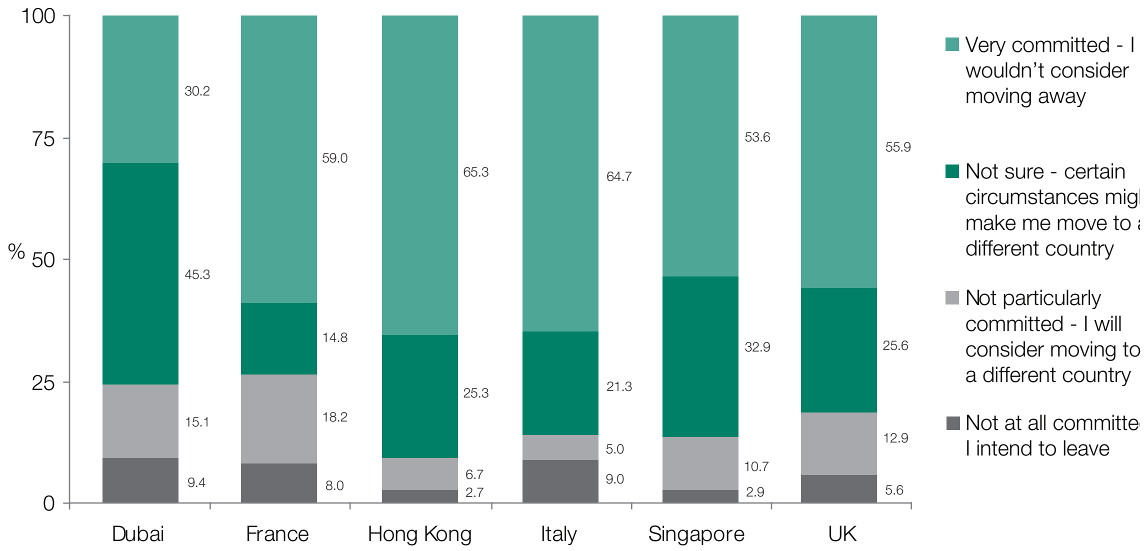
*multiple answers allowed

Do you have confidence in the current government's economic policies?

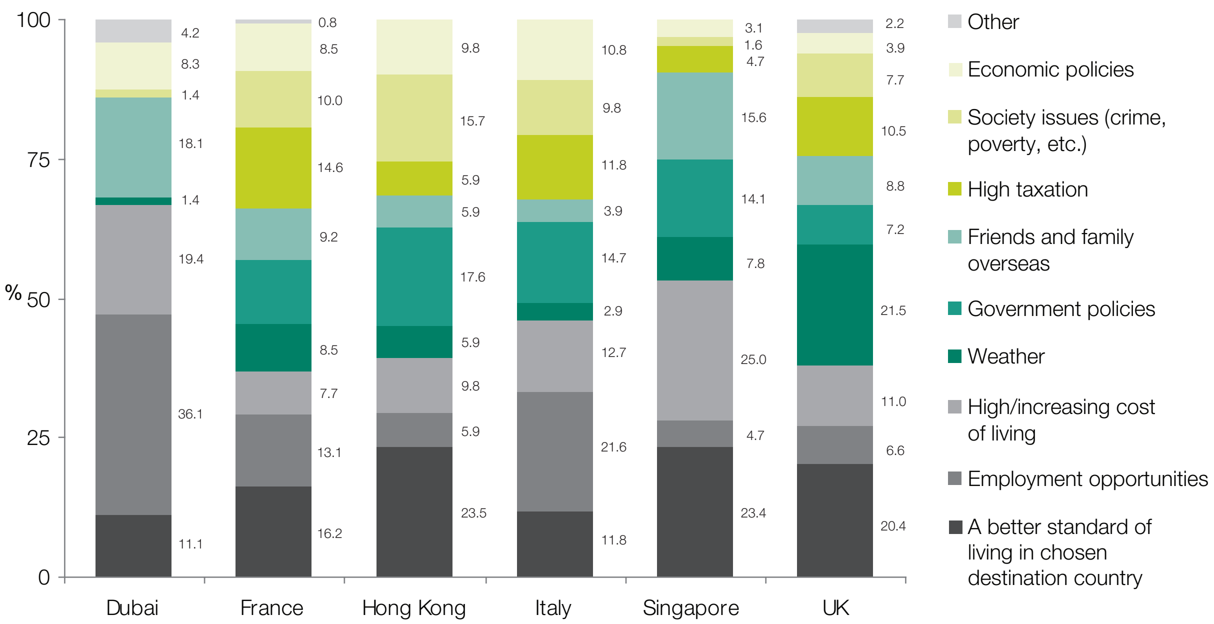


6.2 HNW Mobility

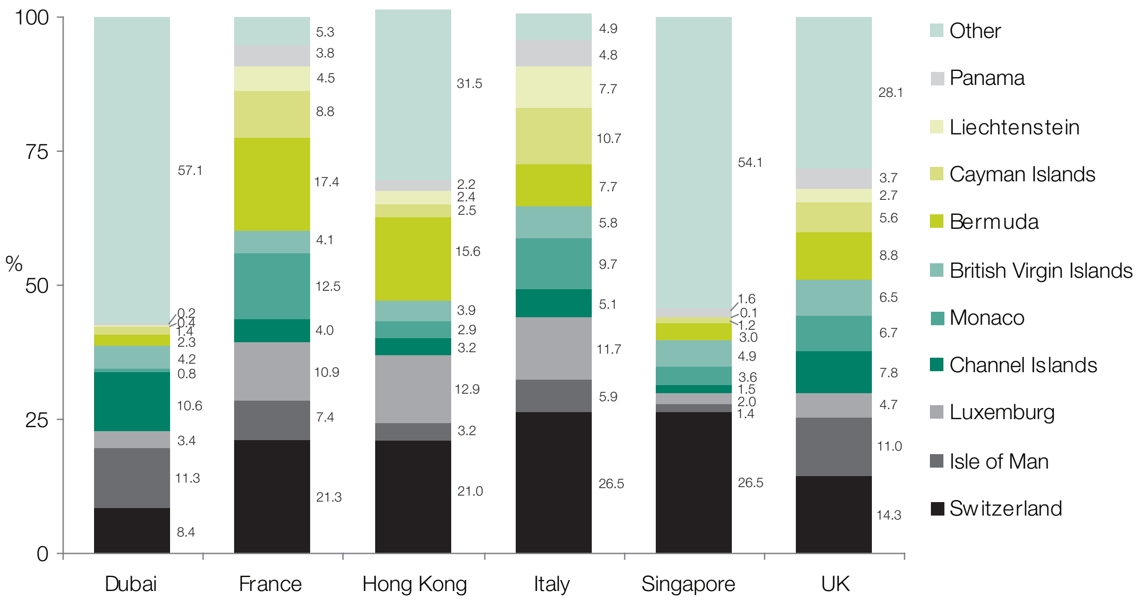
How committed are you to living in this country?



Please rank the following reasons why you would consider leaving this country, where 1 = strongest reason.

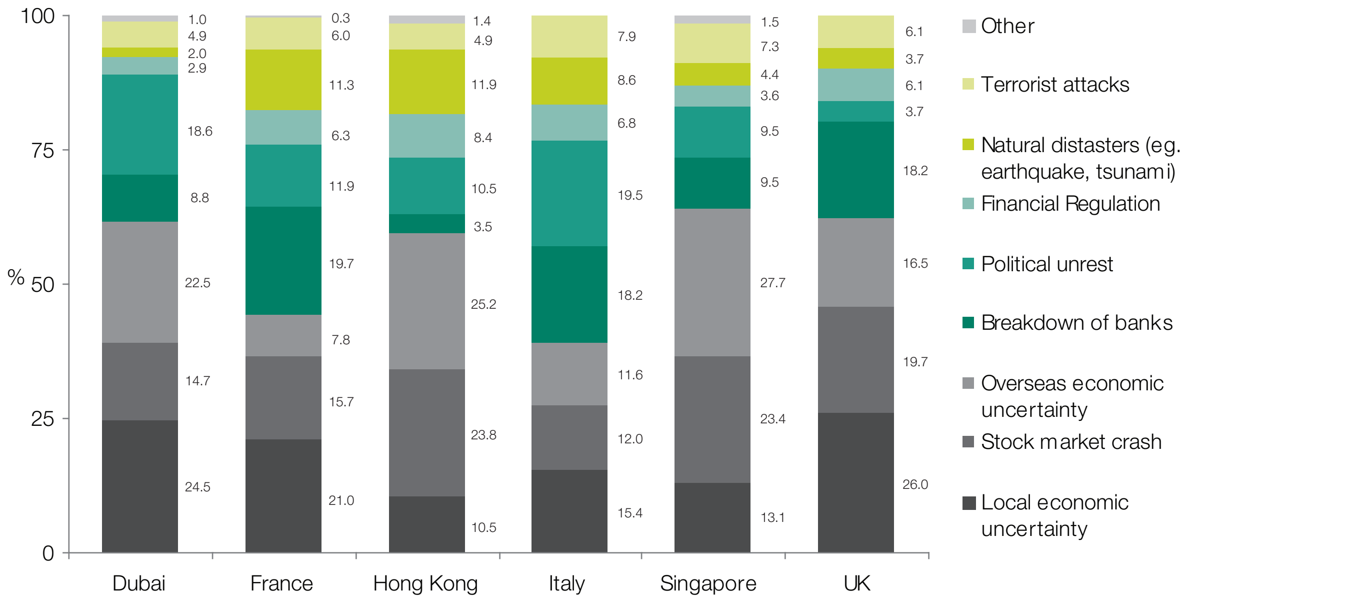


Approximately what percentage of your assets are invested offshore in the following countries?

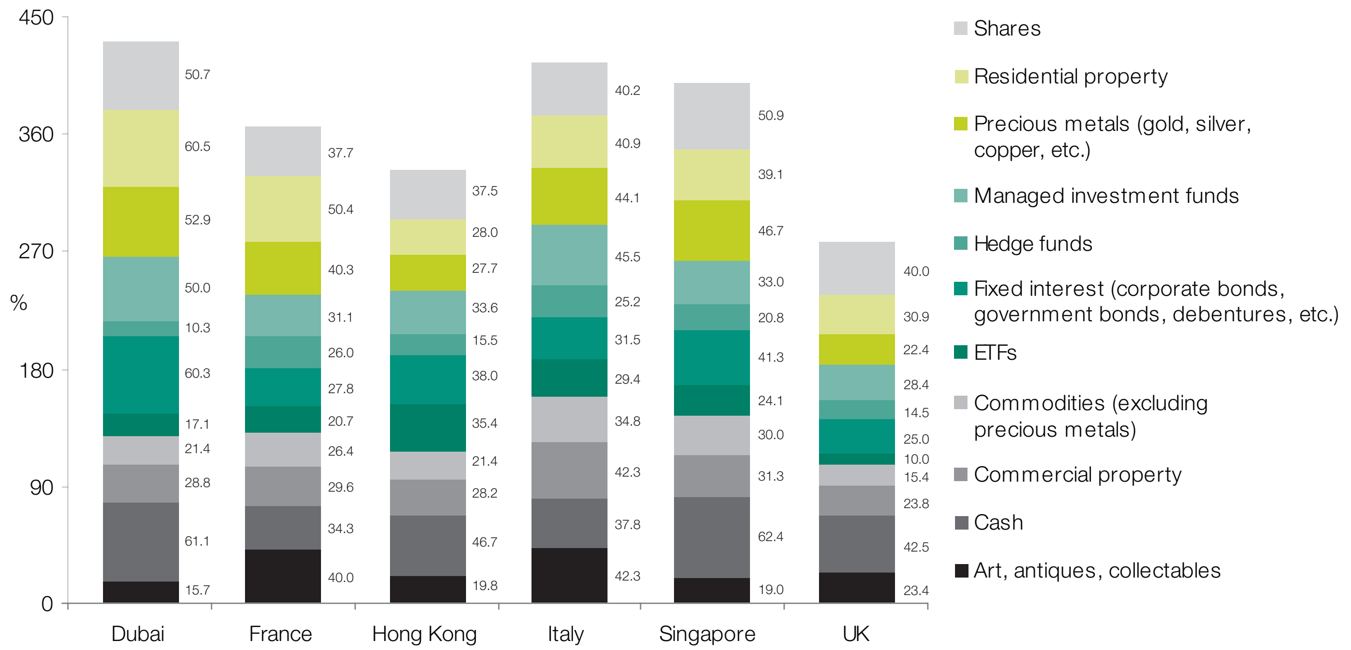


6.3 Wealth outlook

Which of the following factors, if any, do you perceive as a threat to your wealth?

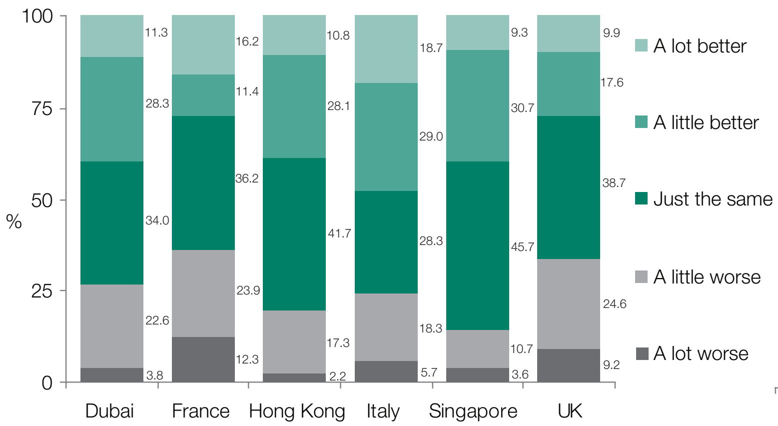


Which of the following investments are you likely to increase your exposure to over the next 6 months?

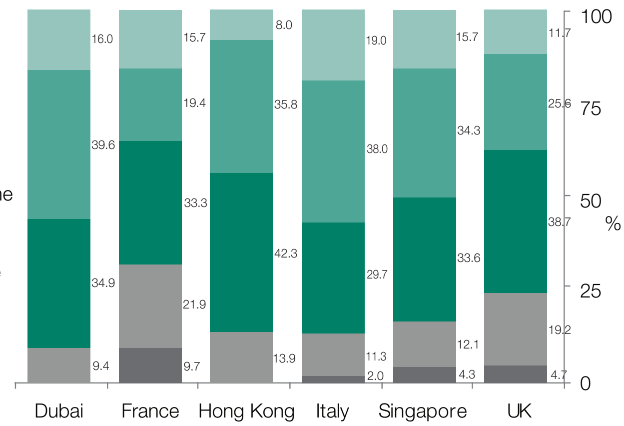


How would you rate the following situations?

Financial situation of your household

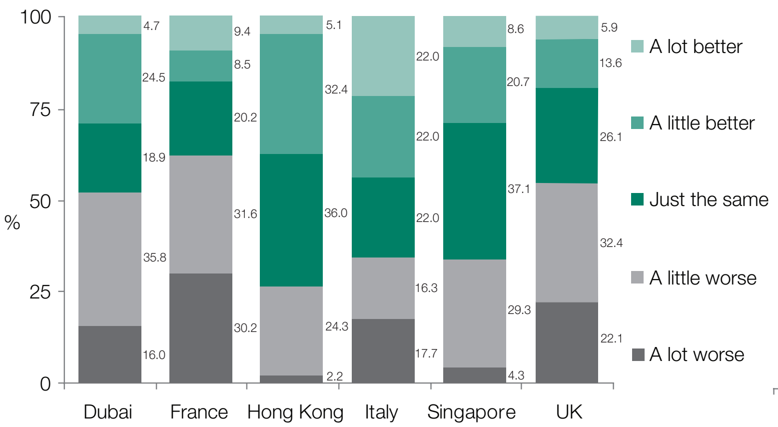


Financial situation of your household over the last 12 months

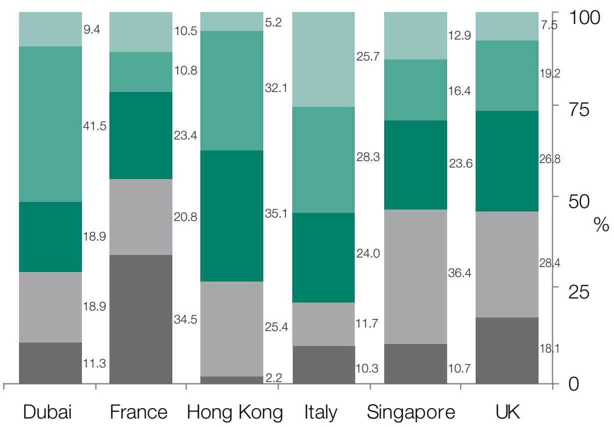


Financial situation of your household over the next 12 months

General Economic Situation

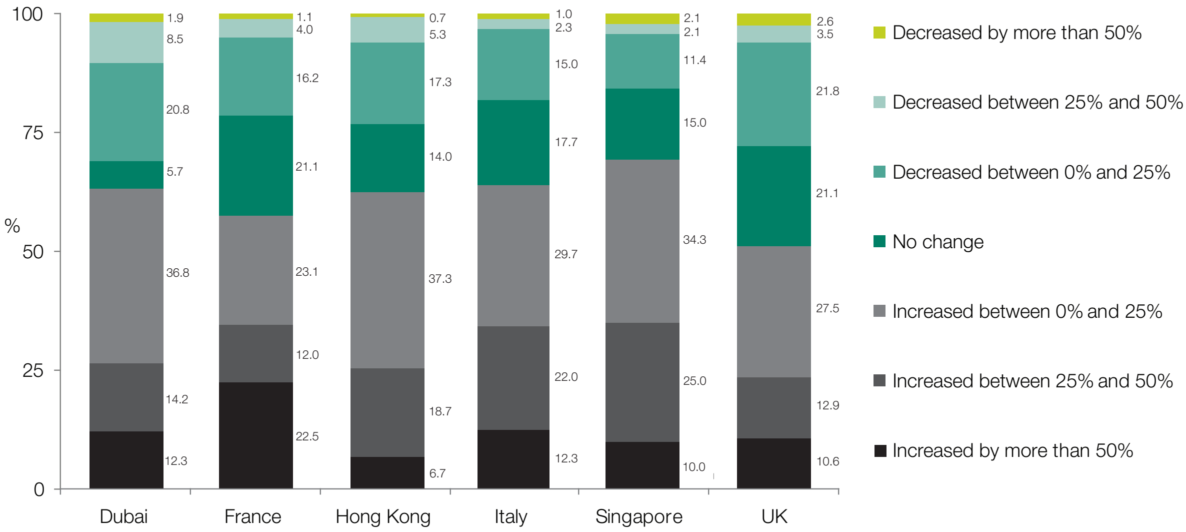


General economic situation in this country
over the last 12 months



General economic situation in this country
over the next 12 months

By how much has your wealth changed since the economic downturn in 2008?



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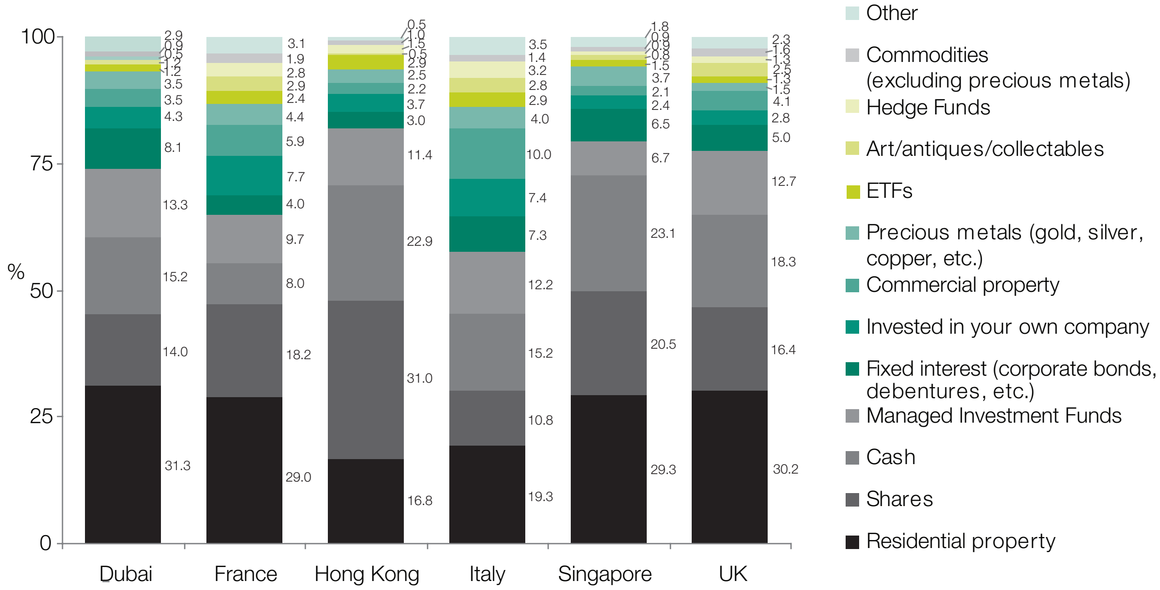
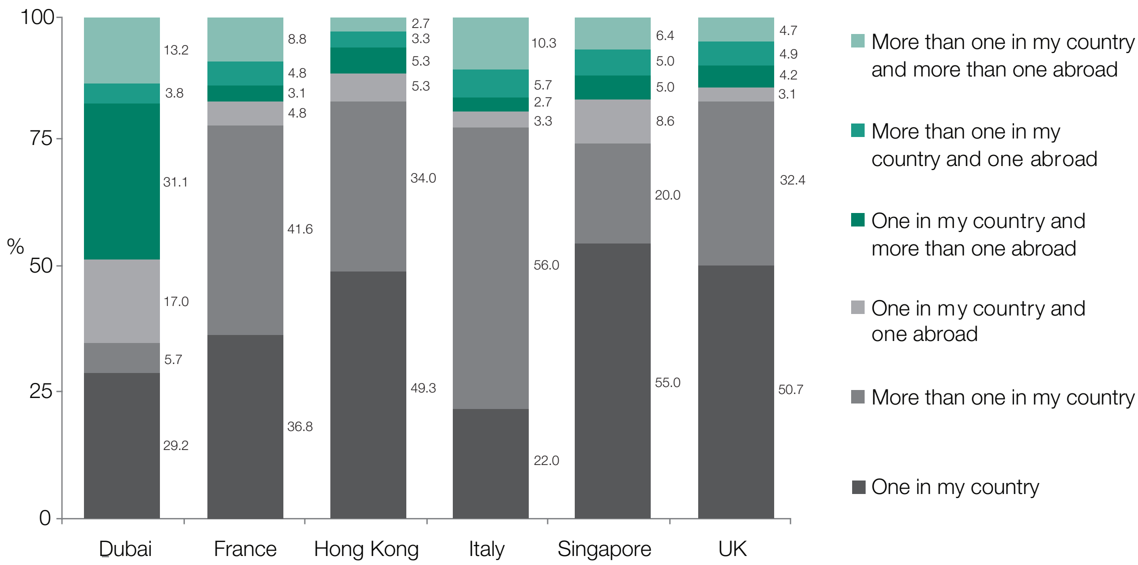
6.4 Saving and investing

What approximate proportion of your wealth is held in the following investments?

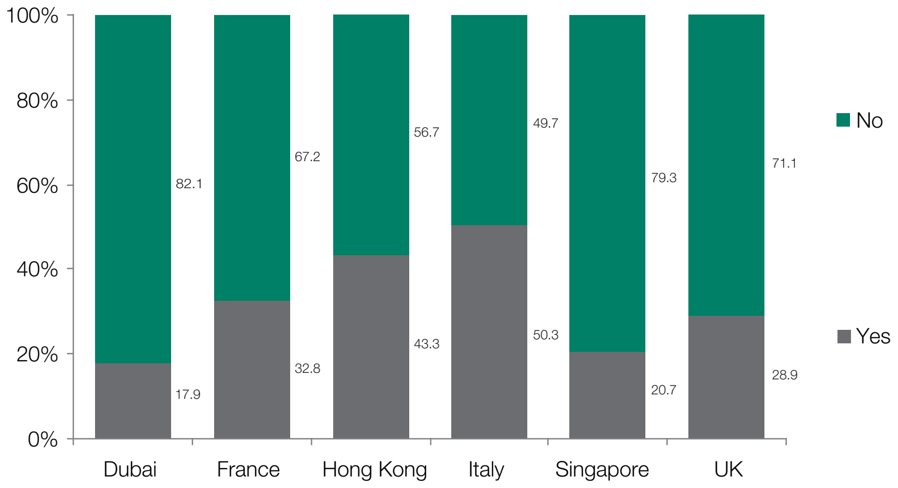


How many properties do you own?

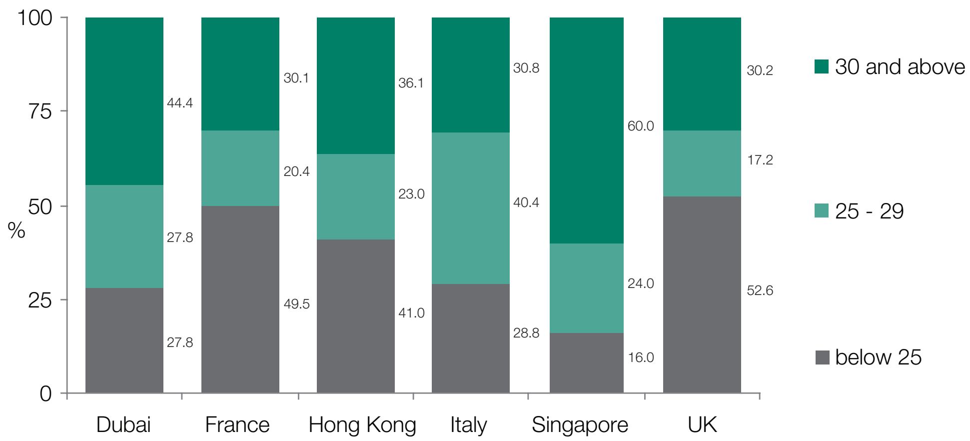


6.5 Business

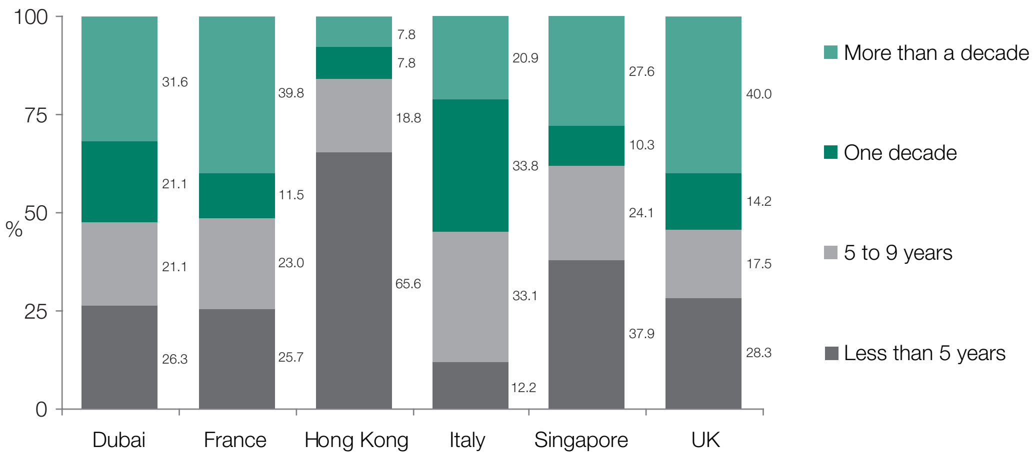
Did you earn your wealth from starting your own business?



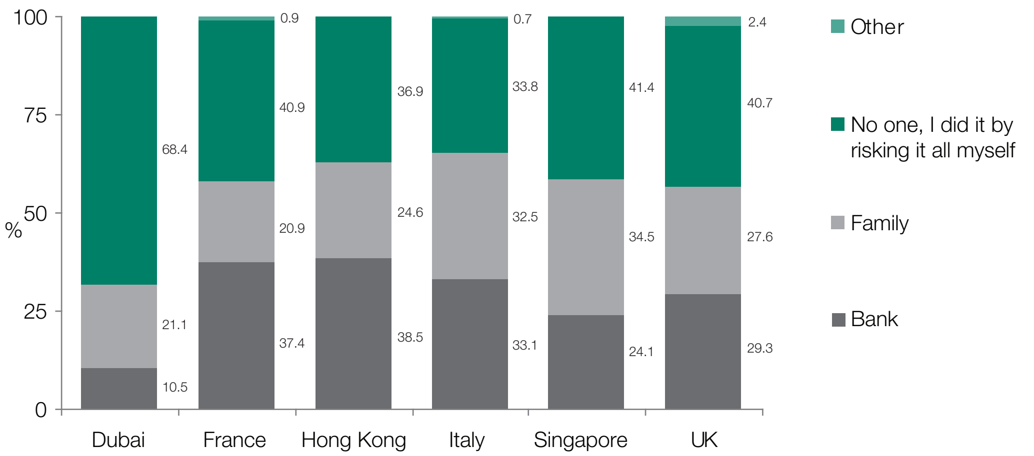
How old were you when you started your own business?



How many years did it take you to earn your wealth from the business?

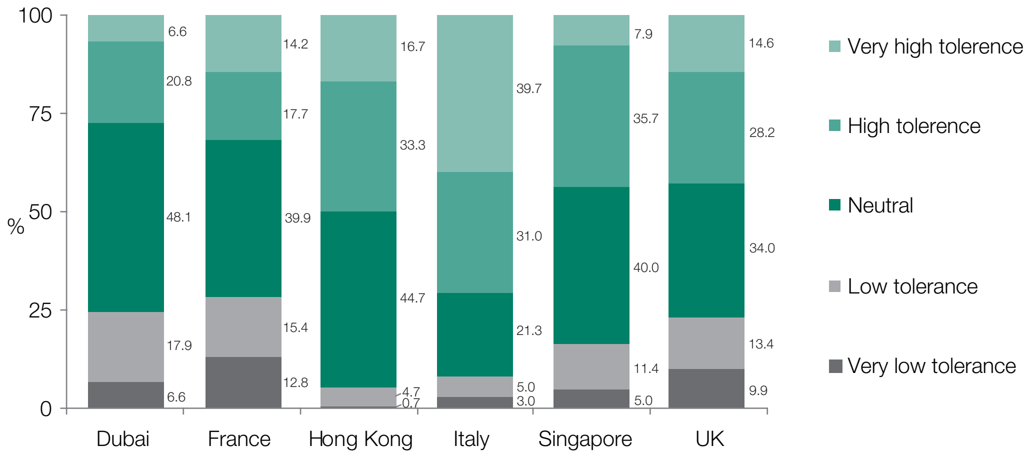


Who provided you with the most help to set up?

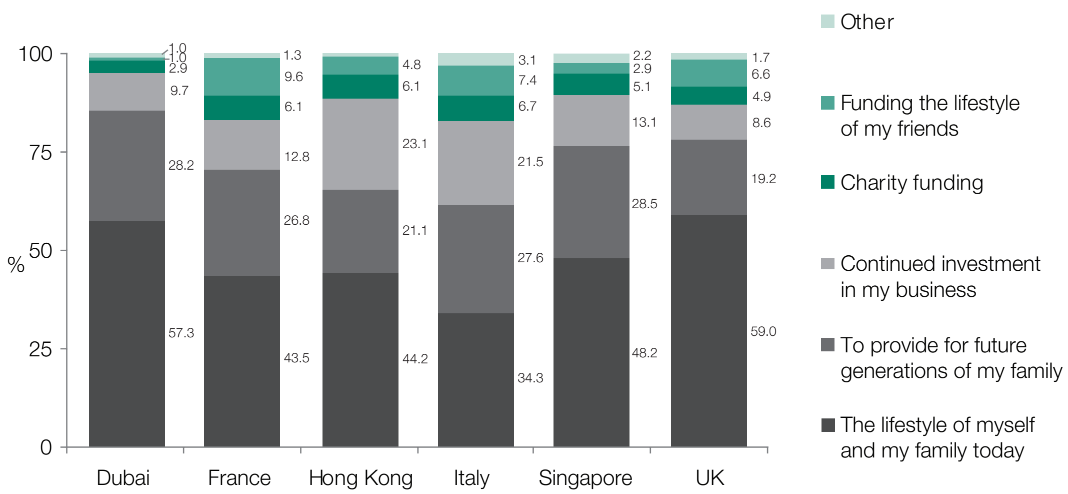


6.6 Risk

How would you rate your attitude to risk? (Banded 2)

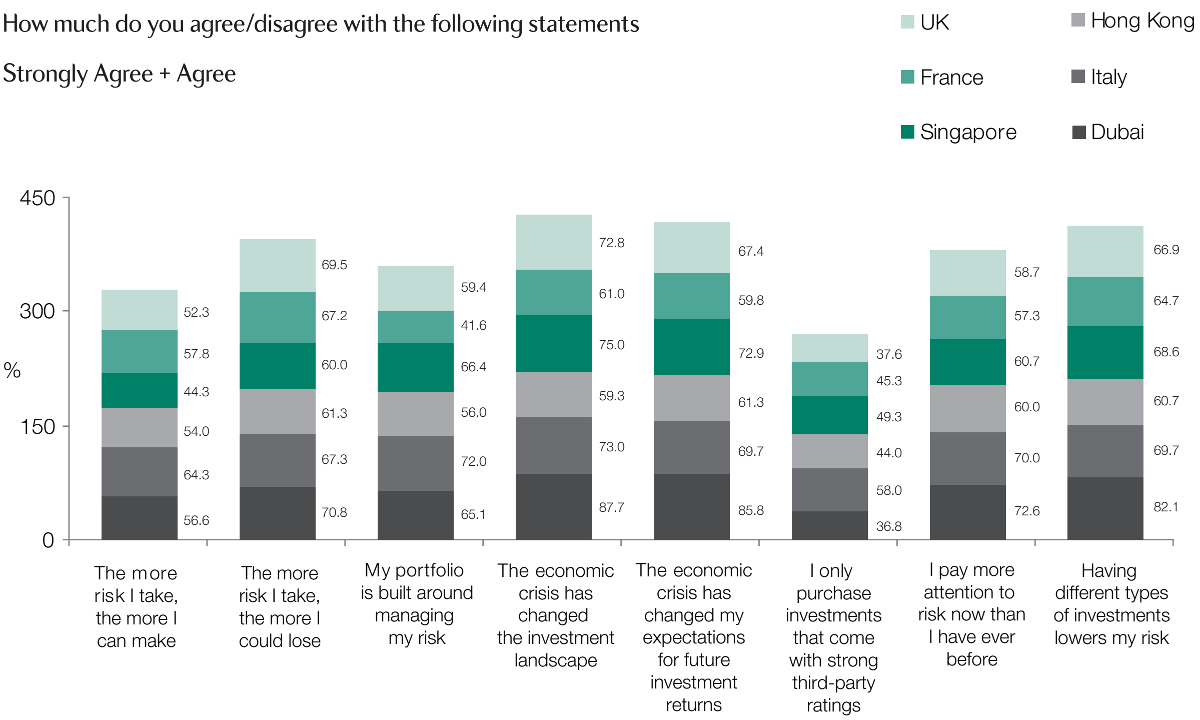


What is the most important consideration for you in relation to your wealth?

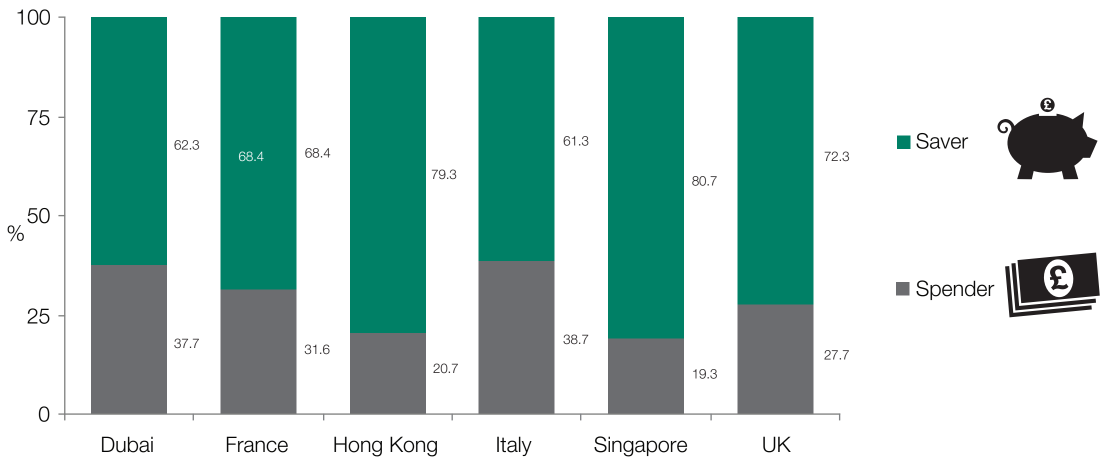


How much do you agree/disagree with the following statements

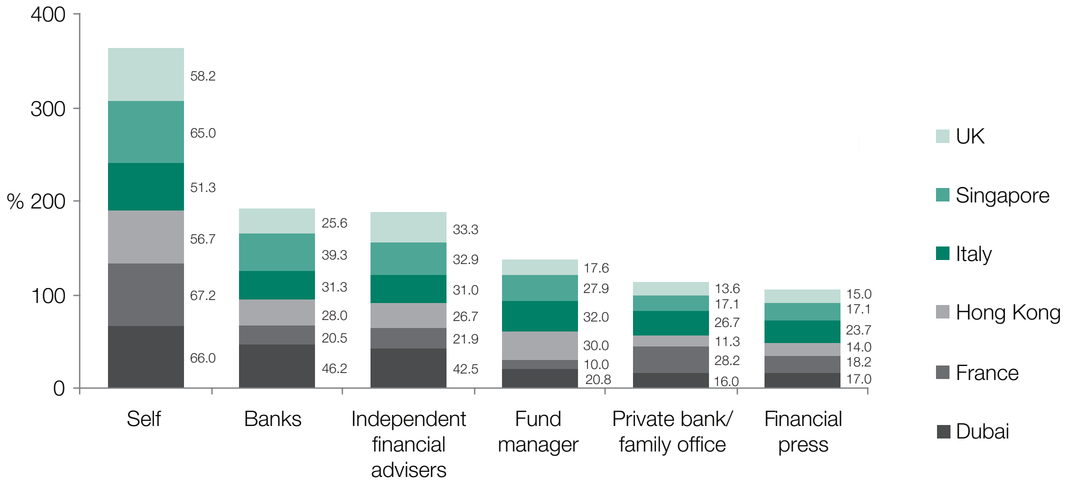
Strongly Agree + Agree

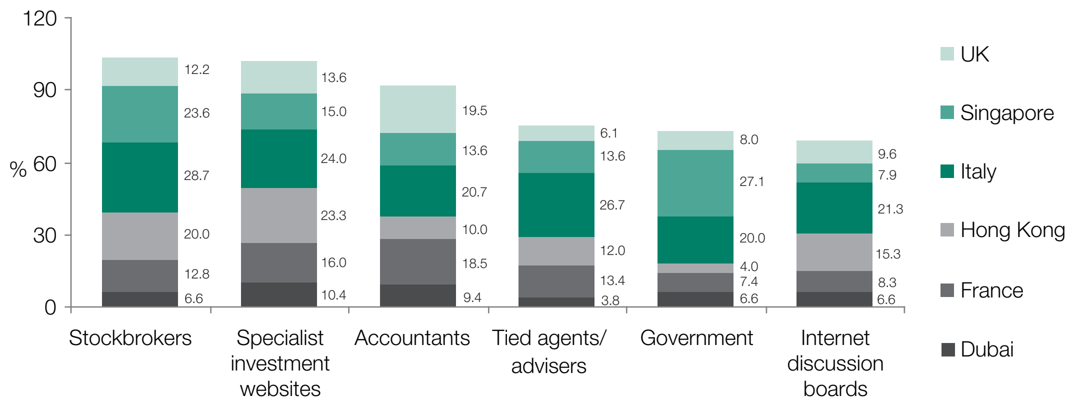


If you had to choose, which of the below two choices best describe you?



Which of the following do you trust to handle your money, give you good advice and/or help you meet your financial goals?





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