

# Company Name

HNWI Research  
January 2019



# HNW vs. UHNW

---

- Ultra-High Net Worth Investors (UHNW) are the investors with \$30mn<sup>1</sup> or more in investible assets. Whereas High Net Worth Investors (HNW) are the investors that have \$1-30mn
- HNW clients are most often individuals or couples who have built up and own what might be a large garden of a few classes of assets, such as a small business, cash, securities, and property. In contrast, UHNW clients tend to be families who have built up large assets similar to tracts of “farmland” that must sustain not only the current family but possibly future generations<sup>2</sup>
- UHNW clients are much more complex: They are potentially multiple-business owners, with unique and sophisticated wealth portfolios, domestic and international properties, complicated cash flow situations, and multiple trusts
- UHNWs tend to have multigenerational family wealth. UHNW clients are often served by teams of advisors, sometimes within a multifamily office or even within a single-family office

---

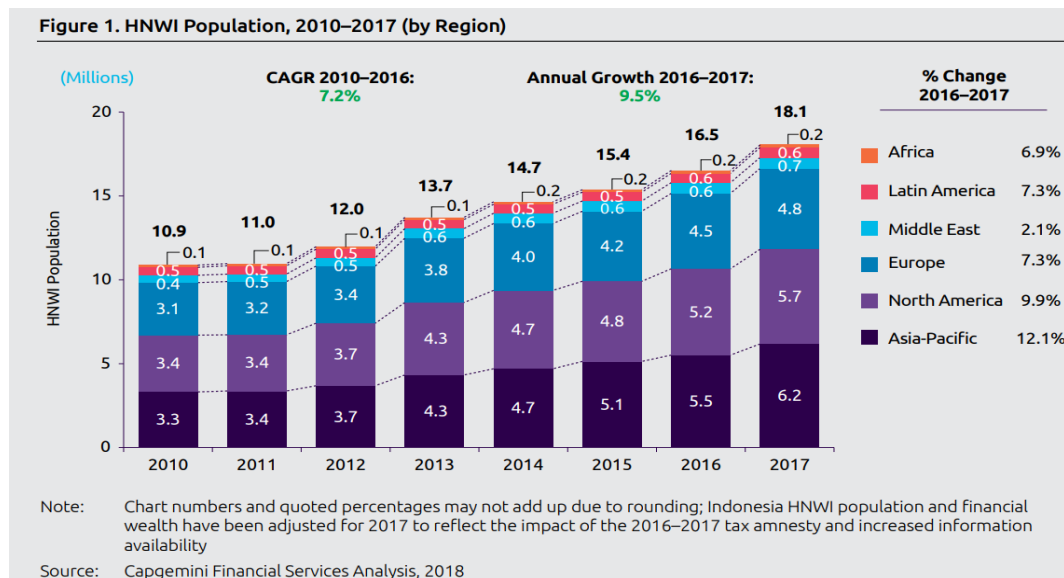
Source:

1. [KKR- The Ultra-High Net Worth Investor: Coming of Age](#)

2. [Ceg Worldwide](#)

# HNWI

- Global HNWI wealth crossed the \$70tn<sup>3</sup> mark for the first time in 2017 and has been growing at over 10% in the past few years (2012-2016)
- North America and Asia-Pacific have the registered the highest growth in HNWI population and HNWI wealth, followed by Europe
  - In 2017, Asia-Pacific contributed the most to the Global HNWI population growth at 42.4% (664.7K of the 1.6 million global increase in HNWI population) and accounted for 41.4% of the increase in global HNWI financial wealth (\$2.8tn of the total global increase of \$6.7tn) in 2017
  - North America accounted for 27.4% of the global increase in the HNWI wealth, and the population grew by 9.9% in 2017 compared to 7.8% in the previous year (2016)
  - Asia-Pacific is expected to witness an 8.7% annual growth rate through 2025
  - North America and Europe are expected to grow at an annual rate of 3.3% and 2.9%, respectively

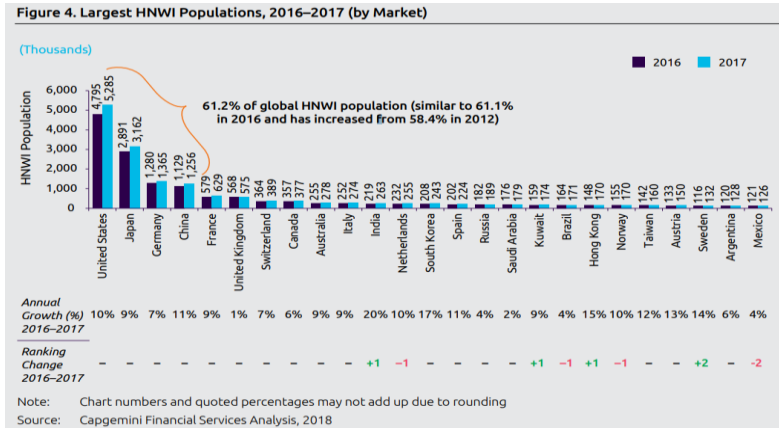


Source:

3. [Capgemini- World Wealth Report 2018](#)

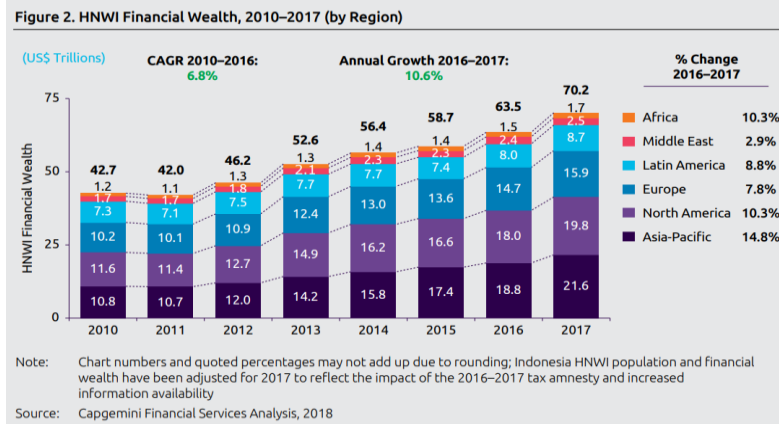


## Largest HNWI Population, 2016-2017 (by Market)

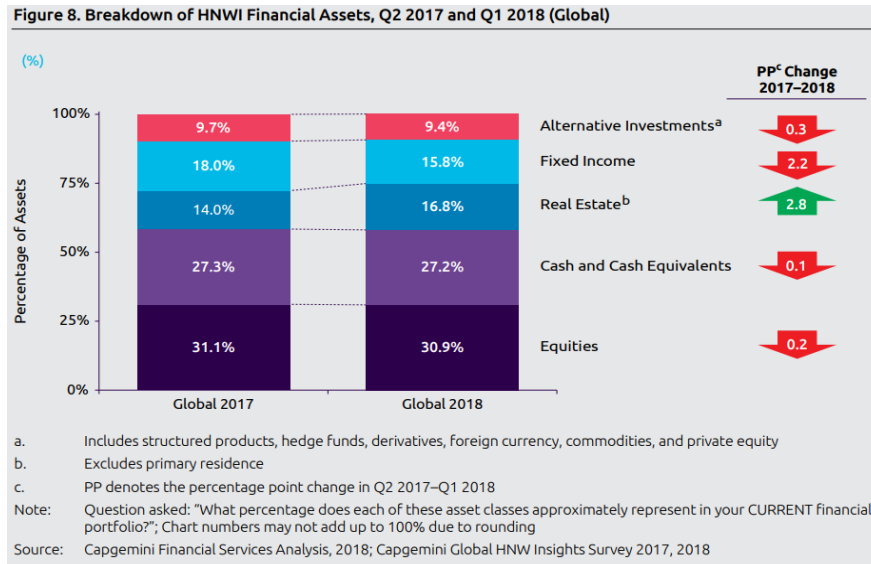


- China and Japan continue to be the growth engines for HNWI population and wealth in Asia-Pacific with wealth growing by more than 10% in both the countries. Collectively they accounted for 71.5% of the region's HNWI population and 65.9% of the region's wealth in 2017

## HNWI Financial Wealth, 2010-2017 (by Region)



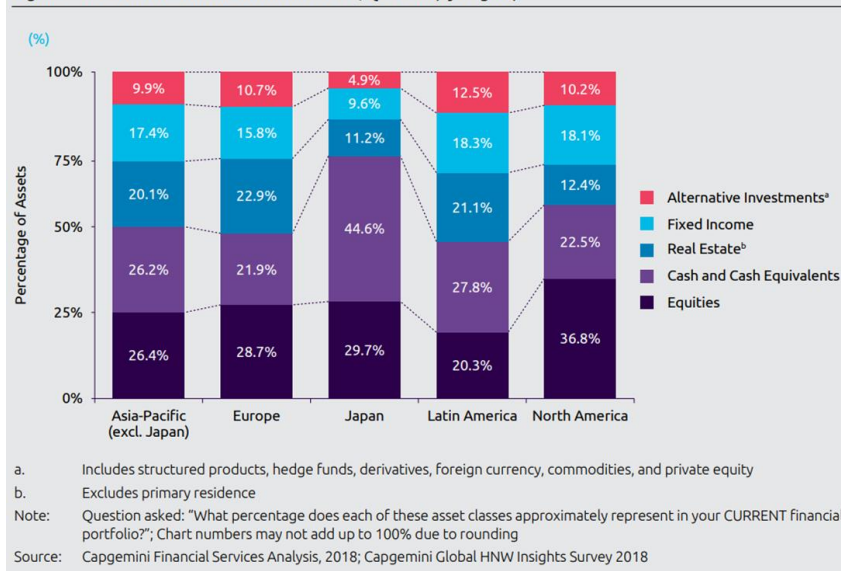
## Breakdown of HNWI Financial Assets, Q2 2017 and Q1 2018 (Global)



- Under global asset allocation in Q1 2018, Equities remain the largest asset class for HNWIs at 30.9% with cash at second (27.2%). In this period, Real Estate allocations increased globally by 2.8% while Alternative investments remained relatively stable at 9.4% (globally)

## Breakdown of HNWI Financial Assets, Q1 2018 (by Region)

Figure 9. Breakdown of HNWI Financial Assets, Q1 2018 (by Region)

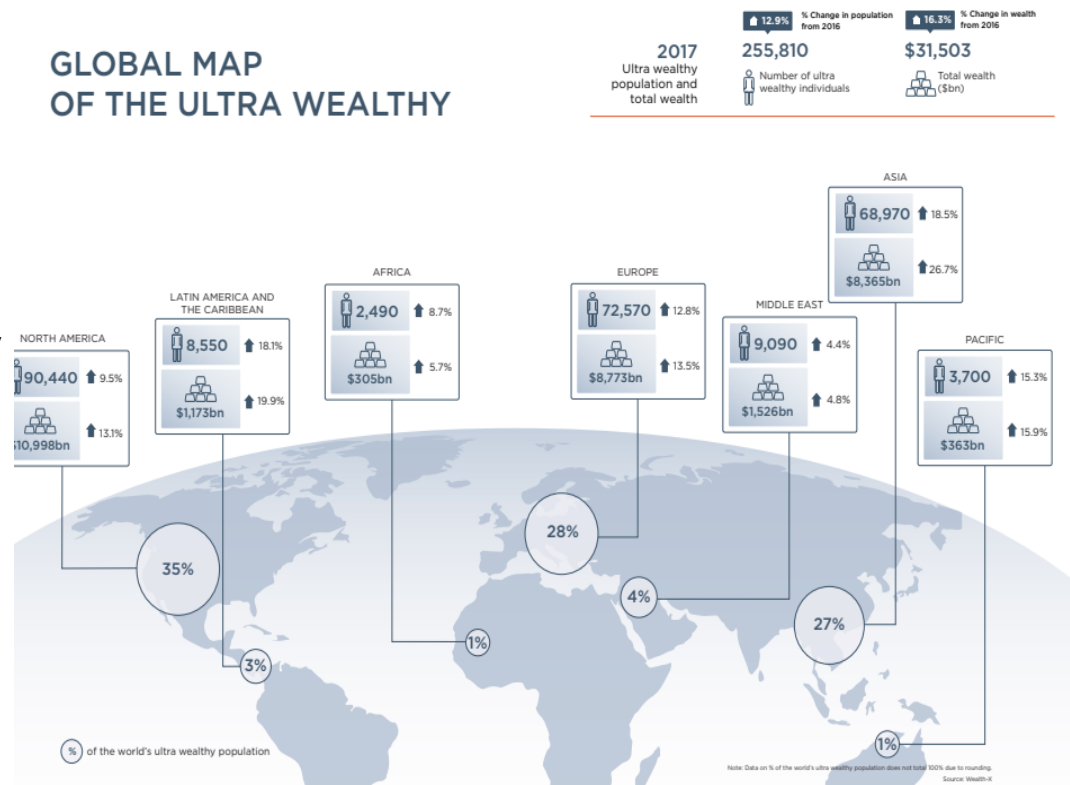


- Equity is the most preferred investment for HNWIs in North America, with 36.8% of assets being invested in the same
- HNWIs in Asia-Pacific too preferred investments in Equities and Cash at 26.4% and 26.2%, respectively
- Alternatives was the least preferred across all the geographies
- Percentage allocation of investments in alternatives is highest in Latin America at 12.5% followed by Europe and North America at 10.7% and 10.2% respectively in Q1 2018

- HNWI Financial Wealth for Asia-Pacific in 2017 is \$21.6tn. Of this, China and Japan account for 65.9% of the HNWI wealth in 2017. The investments in alternatives for Asia-Pacific is \$2.1tn
- Similarly, HNWI Wealth of North America is \$19.8tn, and the investments in alternatives are \$ 2.0tn

# UHNWI

- The global ultra-wealthy investors (UHNWI) population, comprising of people with a net worth above \$30mn<sup>4</sup>, expanded strongly in 2017, rising by 12.9% to 255,810 individuals in 2017
- This was a sharp acceleration from growth of 3.5% in 2016, reflecting significantly more favorable conditions for wealth creation, despite still volatile geopolitics. The combined net worth of the ultra-wealthy population increased by 16.3% to \$31.5tn
- All seven major regions recorded growth in their ultra-wealthy populations and in their combined net worth
  - Asia recorded the most dynamic wealth gains in 2017, with its ultra-wealthy population expanding by 18.5%. The region's share of the global ultra-wealthy population rose to 26.5%, up from around 18% a decade ago. The main impulse came from China, Hong Kong, and India, with each registering an increase in wealth of more than 30%
  - Asia was also the fastest growing region with respect to the “ultra-wealth” which witnessed an increase of 27%



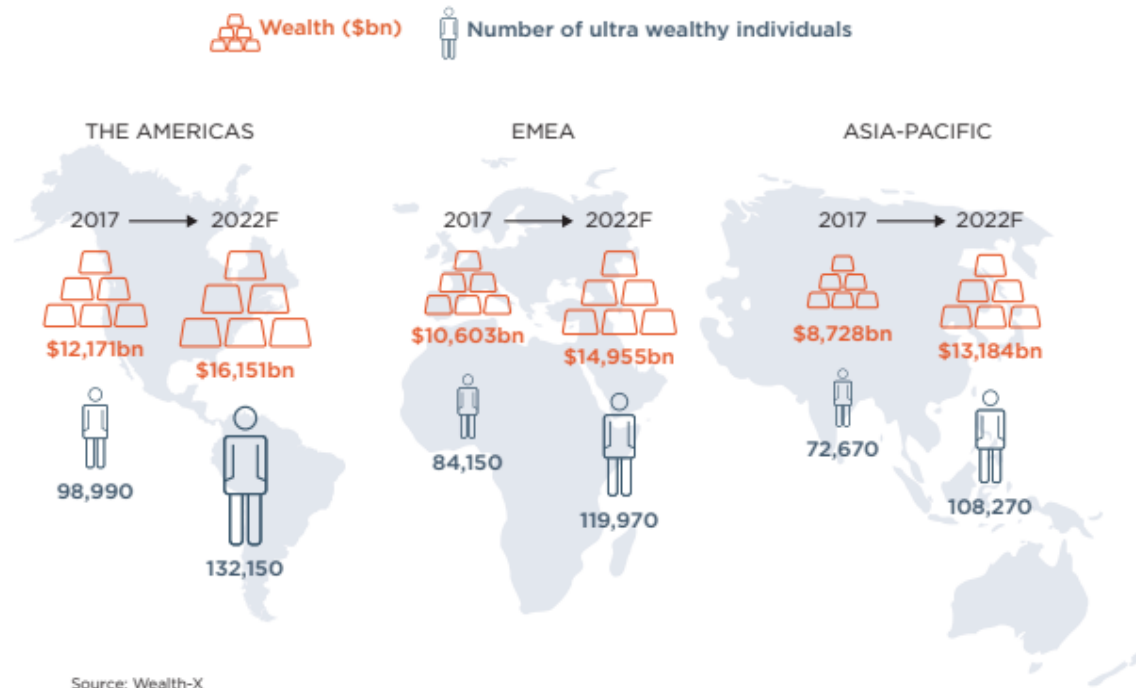
- The world's largest wealth hub, North America recorded a rise of 9.5% in UHNW individuals with total net worth posting a stronger 13.1% rise
- The second-largest UHNW region, Europe, recorded a faster growth of 12.8% in the size of its ultra-wealthy population. The combined net worth also increased by 13.5%

Source:

4. [Wealth X- World Ultra Wealth Report 2018](#)

# UHNWI

- By 2022, it is expected that the global ultra-wealthy population would total to over 350,000 people, an increase of almost 105,000 compared to 2017<sup>5</sup>
- The level of UHNW wealth is projected to rise to \$44.3tn by 2022, implying an additional \$12.8tn of newly created wealth over the next five years
- At a global scale, the forecasts (2017-2022) shows an identical CAGR of 7.1% for the ultra-wealthy population and their combined wealth



Source:

5. [Wealth X- World Ultra Wealth Report 2018](#)