



Friends Provident International Investor Attitudes Report

Wave 2 – October 2010





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Introduction

Welcome to wave 2 of the Friends Provident International Investor Attitudes report.

The Friends Investor Attitudes report is a quarterly report that reveals the results of a detailed study of investment attitudes in our principal markets – Hong Kong, Singapore and United Arab Emirates (UAE).

The report aims to produce a detailed insight into investor attitudes and highlight the key research findings such as attitudes towards current investment market conditions, investment strategy and investment risk.

The results are used to build the Friends Investor Attitudes Index, which is a reliable indicator of respondents' attitudes and sentiment towards investment. The report also highlights any topical findings from these regions. The results will help us identify market trends and in due course, build a suite of products that will meet our customers' needs.

The report also identifies the investment instrument respondents are most likely to choose in the current investment climate and what they think about the short-term potential of the investment market.

We commissioned ICM Research, part of the Creston group of companies and members of the Worldwide Independent Network of Market Research to undertake the research on our behalf. ICM Research has over 20 years' experience conducting and coordinating regional and global surveys.

As with wave 1 of the research, online interviews were conducted in the same period for all three countries – 26 July to 6 August 2010 – to ensure that respondents were answering the questions under a similar financial market environment.

The total sample size for wave 2 was in excess of 2,750, to ensure the collection of robust data, representative of investor attitudes in each of the regions.

The breakdown for each country was:

- Hong Kong – 1000 interviews
- Singapore – 1000 interviews
- UAE – 752 interviews

The samples are nationally representative for each country.



Findings at a glance

- Investment sentiment has grown stronger for Singapore since wave 1. The investment sentiment for Hong Kong and UAE remains stable, with Hong Kong remaining rather positive and UAE being neutral.
- Investors in Singapore are very confident about their economy and expect the economy to do well in the next six months. This confidence in the current and short-term performance of the investment market is reflected in their attitudes towards investing and as compared to wave 1, there is a significant increase in the number of respondents who would make short-term investments.
- Investment sentiment in Hong Kong remains positive and stable. Although there is little change in investment sentiment for Hong Kong on the whole, some changes can be observed across different groups of investors. More affluent investors are now looking at medium term investments, while aspiring affluent investors are moving away from instruments like pensions and into investment linked insurance policies and equity linked funds.
- UAE remains the least optimistic of the three countries. Cautious UAE respondents prefer to hold gold and cash over other asset classes, while 16% also said they would not invest due to uncertainty in the current market.



Executive summary

While there is some positive shift in investment sentiment in wave 2, investors generally remain cautious when it comes to making investment decisions.

They continue to favour more traditional and tangible safe-haven assets such as gold and cash over equities and bonds. Government bonds have seen a significant increase in popularity in this wave, perhaps suggesting that investors are now prepared to accept some risk

Investment sentiment has grown stronger for Singapore since wave 1. The Friends Investor Attitudes Index for Singapore increased from 16 in wave 1 to 20 for this wave. Given the positive news coming from the region and the strong economic performance, it is no surprise that investors in Singapore are now more confident about the investment market (71%). The majority (65%) also expect the investment market to do well in the next six months. This surge in confidence in the current and short-term performance of the investment market is reflected in their attitudes towards investing and as compared to wave 1, there is an increase in Singaporean investors who are willing to make short-term investments.

That said, investors in Singapore are still careful when it comes to selecting their investment assets. They prefer real assets such as gold, cash and property over equities and bonds. As for investment instruments, endowment savings plans, government bonds and mutual funds are preferred over the others and all three instruments have seen a significant increase in this wave. This shows that Singapore investors are now more likely to accept a degree of investment risk. More Singaporeans now use financial websites and go to financial advisers before making an investment decision, suggesting that they are becoming more sophisticated and are turning to multiple sources to validate their decisions.

In Hong Kong, the overall investment sentiment remains positive and stable. The Friends Investor Attitudes Index for Hong Kong shifted slightly to 15 from 14 for this wave and significantly more investors (63%) in Hong Kong have expressed optimism about their current and future

investment markets. In terms of investment risk profiles, while Hong Kong has more risk takers (21%) than Singapore and UAE, the majority of their investors keep a balanced risk profile. Gold and equities are the preferred asset classes for Hong Kong investors.

While there are few significant changes on the nationwide level, several changes can be observed among Hong Kong investors with different affluence levels. This wave, we saw an increase in the proportion of affluent investors who would employ a mid-term investment strategy. On a similar note, aspiring affluent investors are now moving away from products like pensions into investment linked insurance plans and equity linked funds, this suggests a preference for short to medium-term investment strategies.



Executive summary

UAE remains the least optimistic of the three countries as far as investment sentiment is concerned. The Friends Investor Attitudes Index for UAE has moved a notch up to seven in this wave. However, the majority are still cautious about investing in the current climate. With not very encouraging forecasts for UAE's two main economies (Dubai and Abu Dhabi), it is not surprising that there are only slightly more than a third of UAE investors who believe that the current market has improved over the last six months. However, they are more optimistic about the future as nearly half (48%) feel that the investment market in the UAE will improve over the next six months although in wave 1 slightly more respondents (53%) thought this.

Given their current investment sentiment, investors in the UAE are most likely to hold gold and cash. A third profess to be risk averse, the highest proportion of risk averse investors of the three regions. Their preferred investment instruments are endowment savings plans and government bonds, highlighting their preference for low to moderate risk investments. This has changed little since wave 1.



Overall investment attitudes for Hong Kong, Singapore and UAE

Key learning

Respondents currently consider gold and cash the most suitable asset classes

This suggests that they are still cautious about the future and are choosing to hold tangible assets.

Property and **bonds** have also seen a significant increase in the proportion of respondents who agreed that it is a good time to invest in them.



Q1. Do you think now is a very good, good, neither good nor bad, bad or very bad time to invest in the following categories? Base: All (excluding Don't knows).



Friends Investor Attitudes Index

Key learning

Singapore investors are the **most positive about investing** in the current climate, followed by Hong Kong. **UAE** investors still have **some reservations** about investing and are most likely to invest in gold and cash.



*The Friends Investor Attitudes Index is an average of all index scores for all categories. The index scores are calculated by first applying a balanced weighting to the rating figures, where 100 is most positive and -100 is least positive, then dividing the sum of these weighted figures by total number of respondents (excluding Don't knows).

★ Hong Kong ● Singapore ■ UAE

Q1. Do you think now is a very good, good, neither good nor bad, bad or very bad time to invest in the following categories? Base: All (excluding Don't knows).



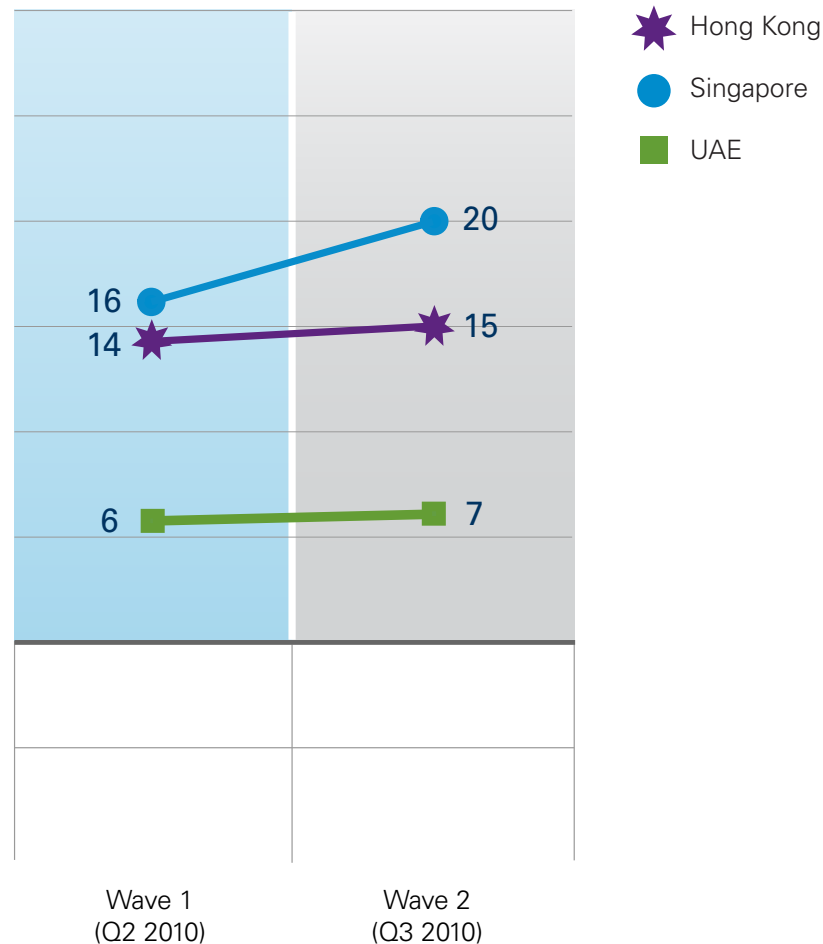
Friends Investor Attitudes Index

Tracking over time

Key learning

Singapore is still the **most positive region when it comes to investing**. This optimism has increased since wave 1.

Both **Hong Kong** and **UAE** show a **slight uplift** in their index score.



*The Friends Investor Attitudes Index is an average of all index scores for all categories. The index scores are calculated by first applying a balanced weighting to the rating figures, where 100 is most positive and -100 is least positive, then dividing the sum of these weighted figures by total number of respondents (excluding Don't knows).

Q1. Do you think now is a very good, good, neither good nor bad, bad or very bad time to invest in the following categories? Base: All (excluding Don't knows).



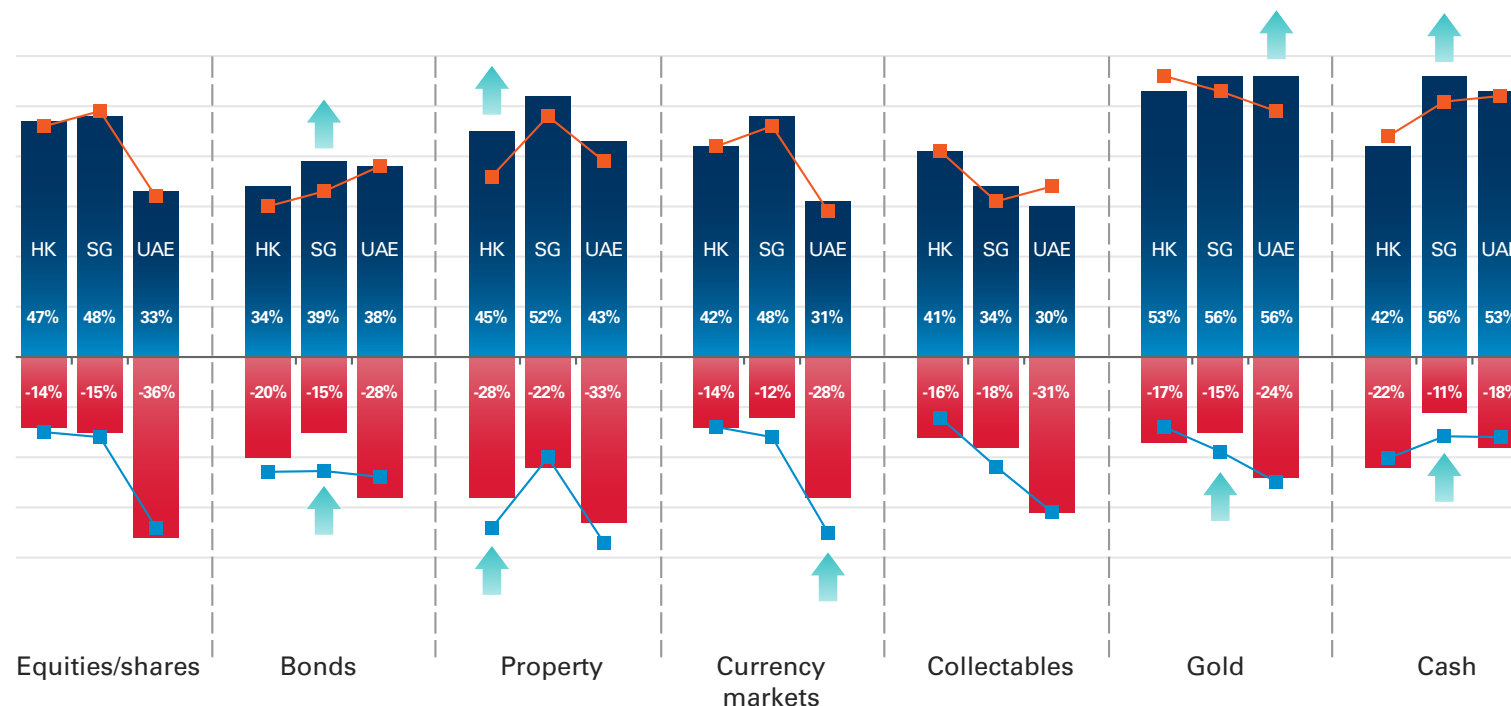
Investment attitudes

Key learning

Although **Hong Kong respondents still prefer to invest in safe-haven assets**, there are signs that they may consider diversifying into assets such as bonds. Property and bonds are the only asset classes that experienced a positive move in comparison with wave 1.

Singapore saw a significant increase in respondents who thought now is a good time to invest in cash and bonds, and significantly fewer thought it was a bad time to invest in gold. All other asset classes, with the exception of equities, have experienced a positive move.

UAE respondents remain cautious and prefer to hold gold and cash over other asset classes. Preference for other asset classes is the lowest amongst all three regions.



■ Wave 2: Total Good/Very Good ■ Wave 2: Total Bad/Very Bad
— Wave 1: Total Good/Very Good — Wave 1: Total Bad/Very Bad

↑ Indicates significant change from previous wave

Q1. Do you think now is a very good, good, neither good nor bad, bad or very bad time to invest in the following categories? Base: All (excluding Don't knows).

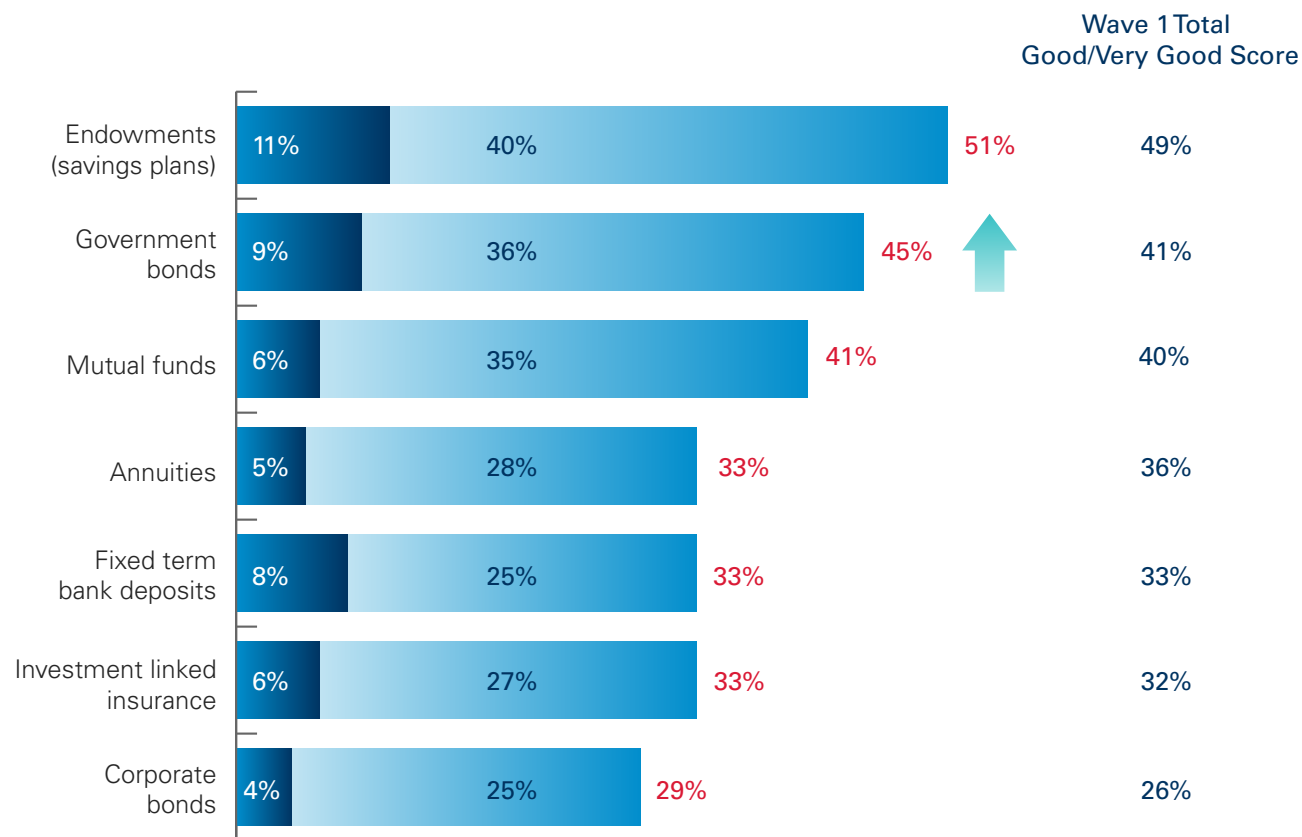


Preferred investment instruments for Hong Kong, Singapore and UAE

Key learning

Similar to wave 1, lower risk instruments such as **endowments (savings plans) and government bonds are preferred.**

Both **government** and **corporate bonds** saw an increase in the proportion of respondents who agreed it is a good time to invest in them. *Perhaps respondents are willing to take a little more risk in exchange for a better return than fixed term deposits?*



Very Good Good Total Good/Very Good

↑ Indicates significant change from previous wave

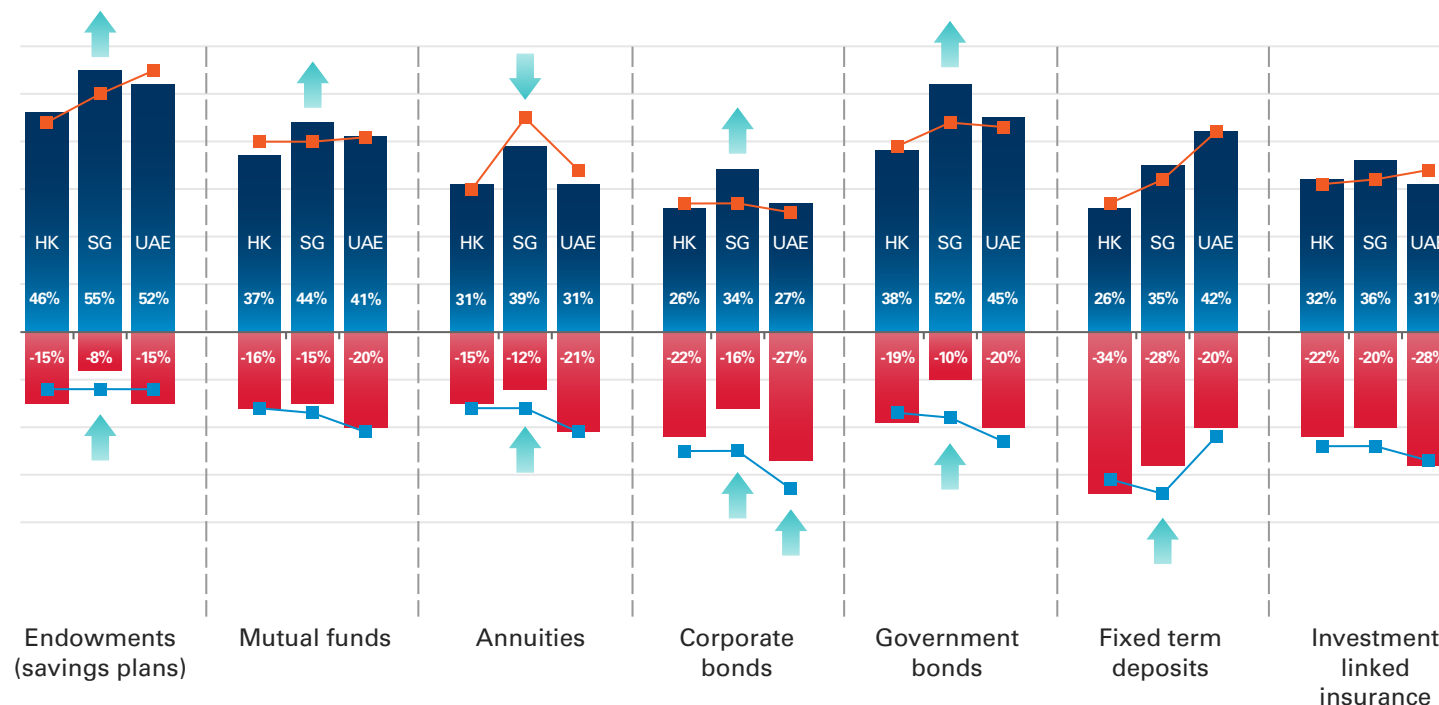
Q2. Do you think now is a very good, good, neither good nor bad, bad or very bad time to invest in the following products? Base: All (excluding Don't knows).

Investment instruments

Key learning

Endowments (savings plans) are still the top choice of investment instrument for all three regions, especially Singapore.

A significantly higher proportion of Singapore respondents felt that it is a good time to invest in endowments (savings plans), mutual funds, corporate and government bonds in this wave.



■ Wave 2: Total Good/Very Good ■ Wave 2: Total Bad/Very Bad
—■— Wave 1: Total Good/Very Good —■— Wave 1: Total Bad/Very Bad

Indicates significant change from previous wave

Q2. Do you think now is a very good, good, neither good nor bad, bad or very bad time to invest in the following products? Base: All (excluding Don't knows).

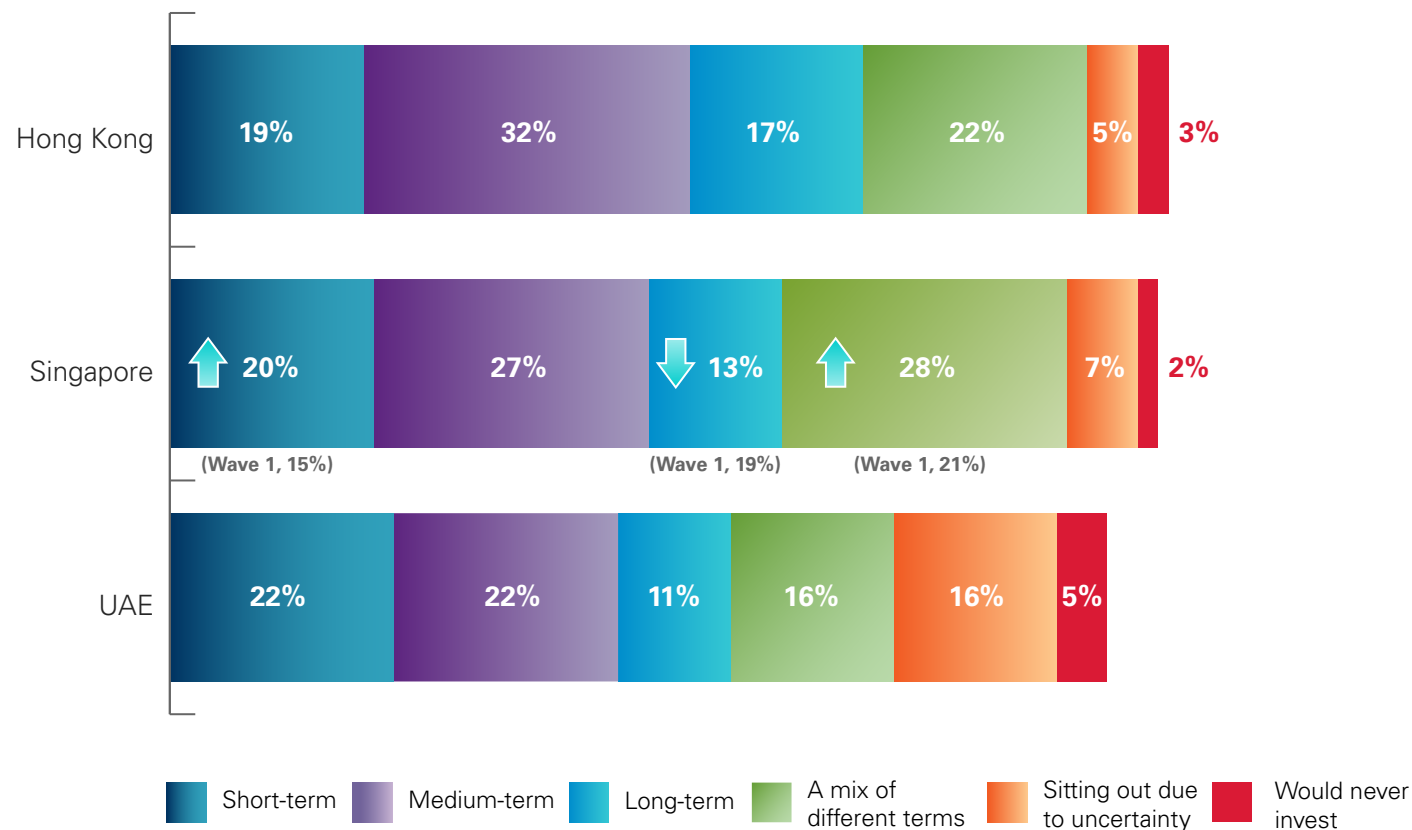


Investment strategy

Key learning

There is little change in investment strategies for Hong Kong and UAE respondents.

For **Singapore respondents, medium and mixed-term** remain the most attractive investment strategies. Short-term increased its appeal, while fewer respondents opted for long-term.



Definitions:

Short-term – up to a year
 Medium-term – 1 to 3 years
 Long-term – more than 3 years

Q3. If you had money to invest now, what type of investment would you make?
 Base: All (excluding Don't knows).

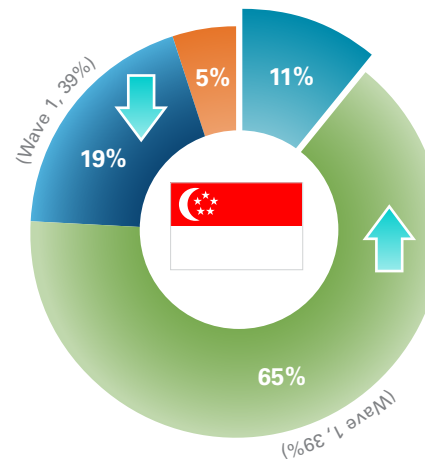
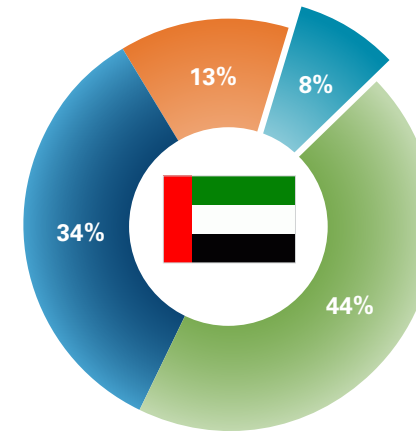
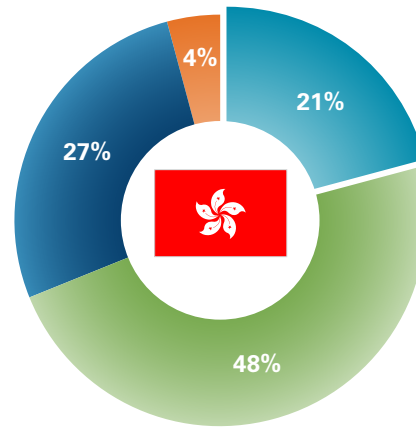


Investment risk profile

Key learning

A significantly higher proportion of Singapore respondents now think of themselves as having a **balanced approach towards investing**. In contrast a significantly lower proportion of Singapore respondents are now risk averse.

Perhaps the healthy level of growth within the domestic market has helped to restore confidence for Singapore investors?



- Don't know
- Risk averse
- Balanced
- Risk taker

↕ Indicates significant change from previous wave

Q4. Which of the following is your preferred type of investment strategy?
 Base: All, excluding those who said they would never invest their money in Question 3.



Investment advice

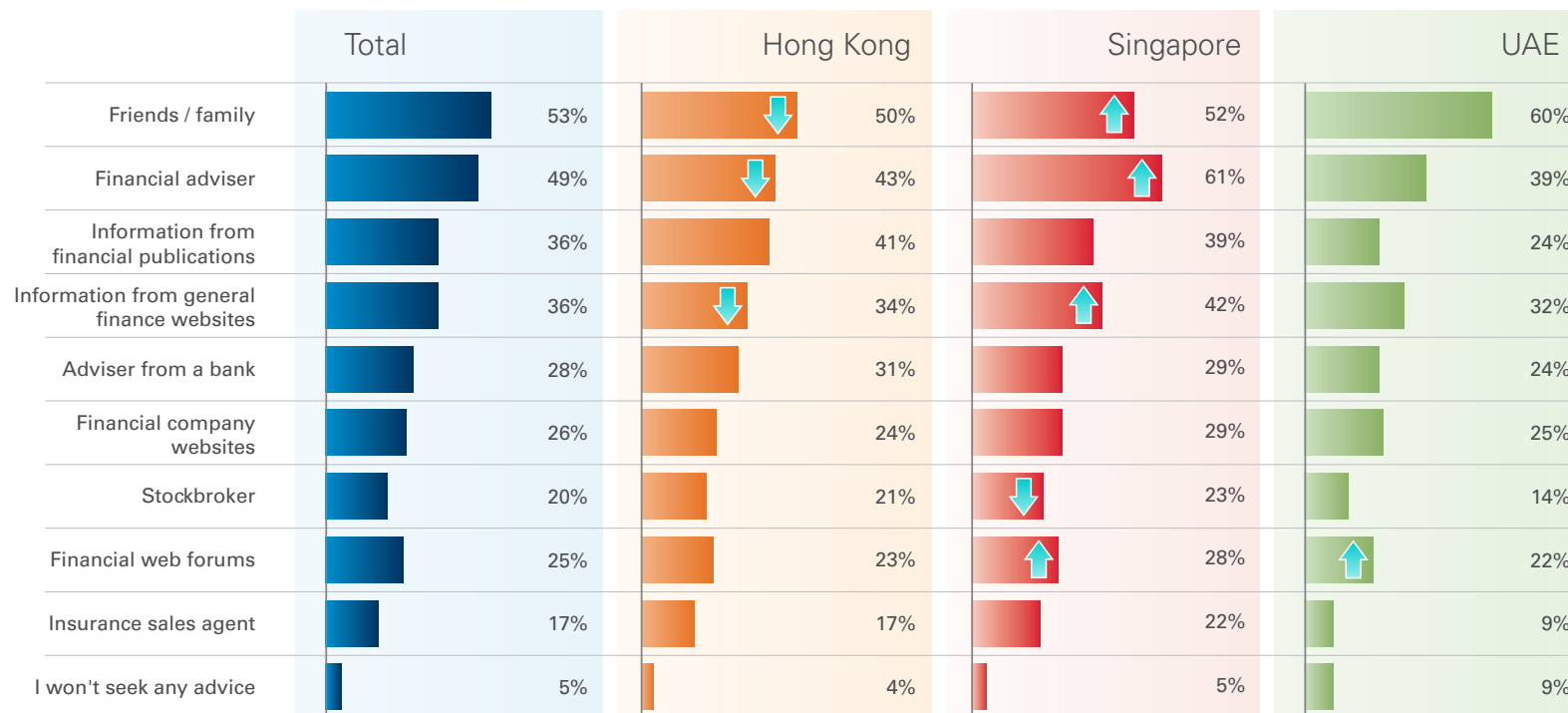
Key learning

Friend or family and financial advisers are the top two sources that investors go to before making financial decisions.

UAE respondents are most likely to turn to friends or family for information or advice. They are least likely to turn to third party consultants such as insurance sales agents.

While **more Singapore respondents (61%) now turn to financial advisers**, an **increasing proportion (42%) also seek advice from general financial websites**.

Perhaps investors are becoming more sophisticated and consult with multiple sources before making an investment decision?



↕ Indicates significant change from previous wave

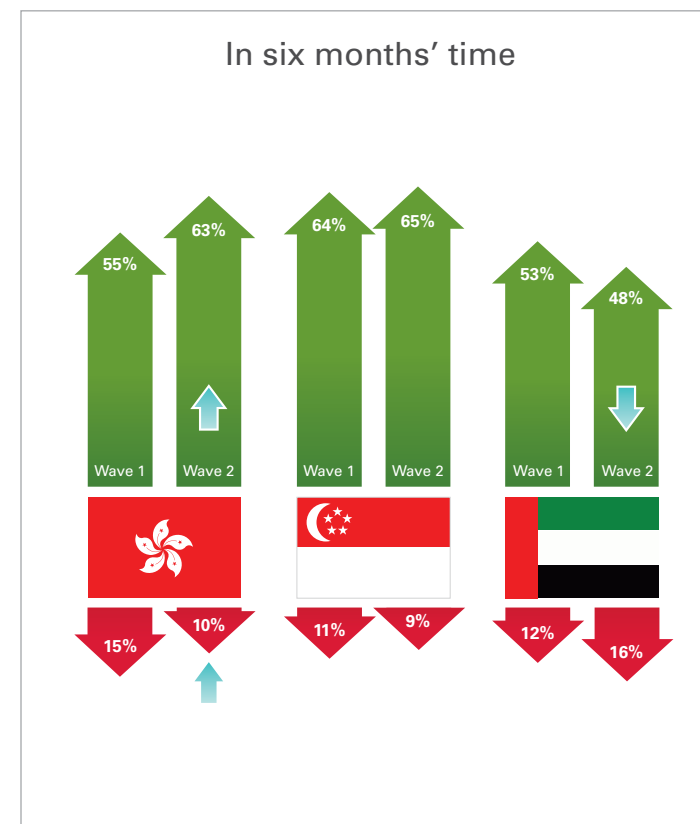
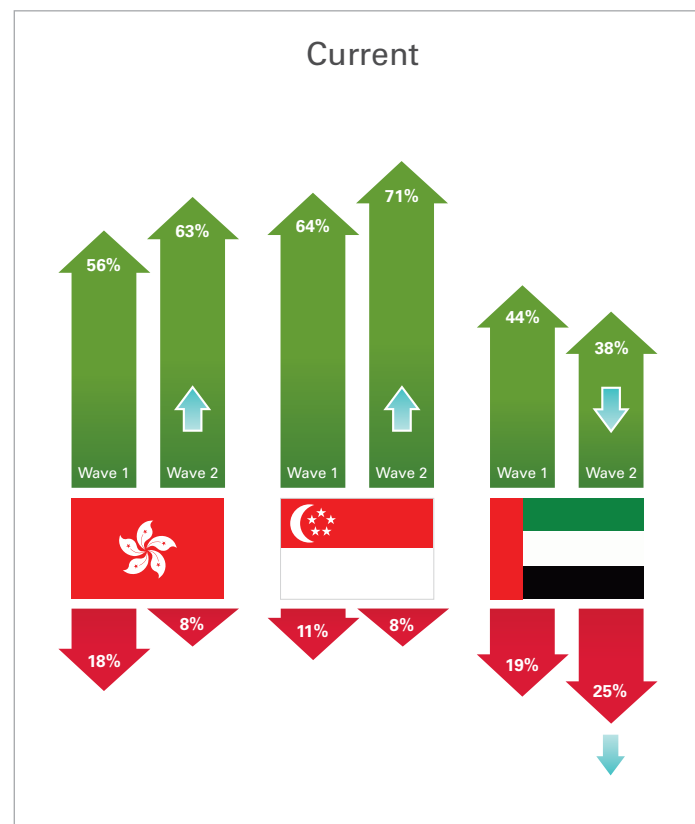
Q5. Which of the following sources would you seek information and/or advice from before making an investment decision? Base: All, excluding those who said they would never invest their money in answer to Question 3.



Investment outlook

Key learning

Hong Kong and Singapore respondents are now more confident about the current state of the investment market. On the other hand, **UAE respondents** are less optimistic than before.



Total improved Total worsened

Indicates significant change from previous wave

Q6. Compared with six months ago, how do you currently view the state of the investment market? Base: All respondents.

Q7. And looking ahead over the next six months, do you think the investment markets will improve/get worse substantially, a little, or stay the same? Base: All respondents.

Excluding those who answered 'Don't know' and 'About the same'.

 Hong Kong



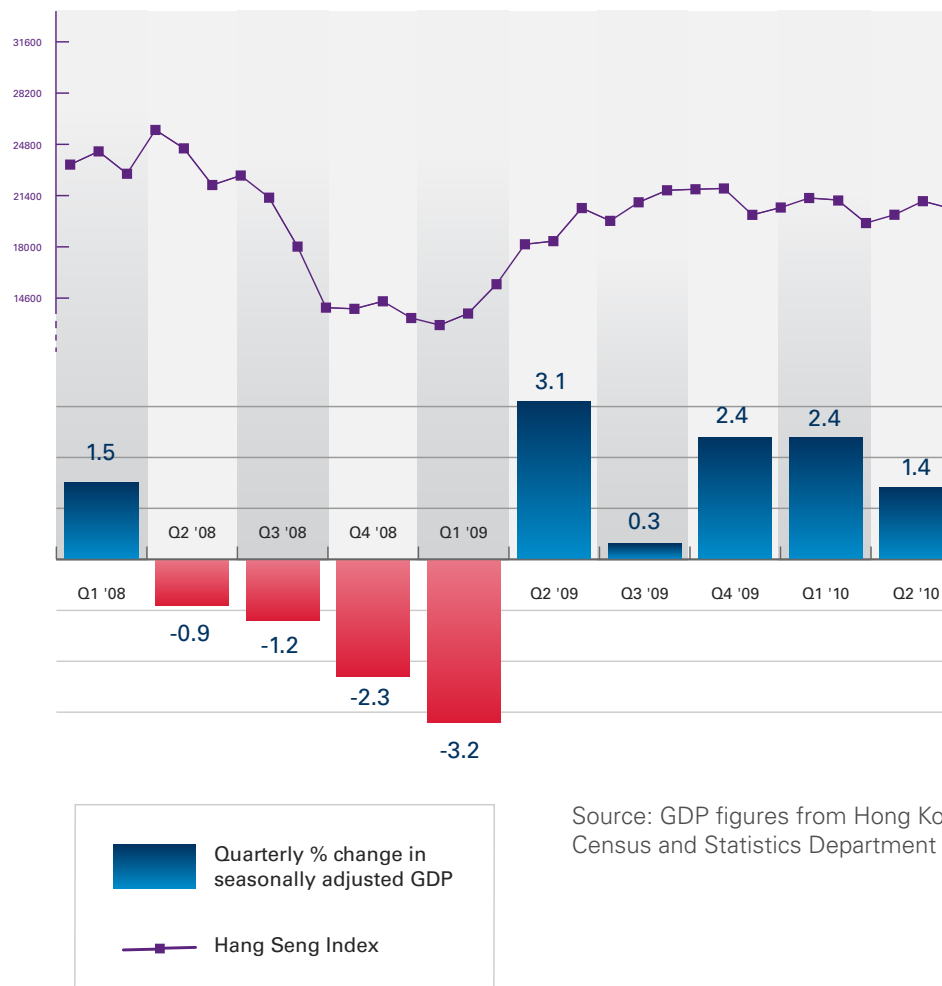
A look at the market

Key learning

When fieldwork for wave 2 was conducted the Hong Kong stock market was recovering from a dip in June.

Consumer sentiment seems to be mixed – there was positive news coming from Asia but at the same time, there is concern about US recovery and rising domestic house prices.

This may explain why **Hong Kong respondents are cautious about investing** and this sentiment has not changed significantly since wave 1.



Source: GDP figures from Hong Kong Census and Statistics Department

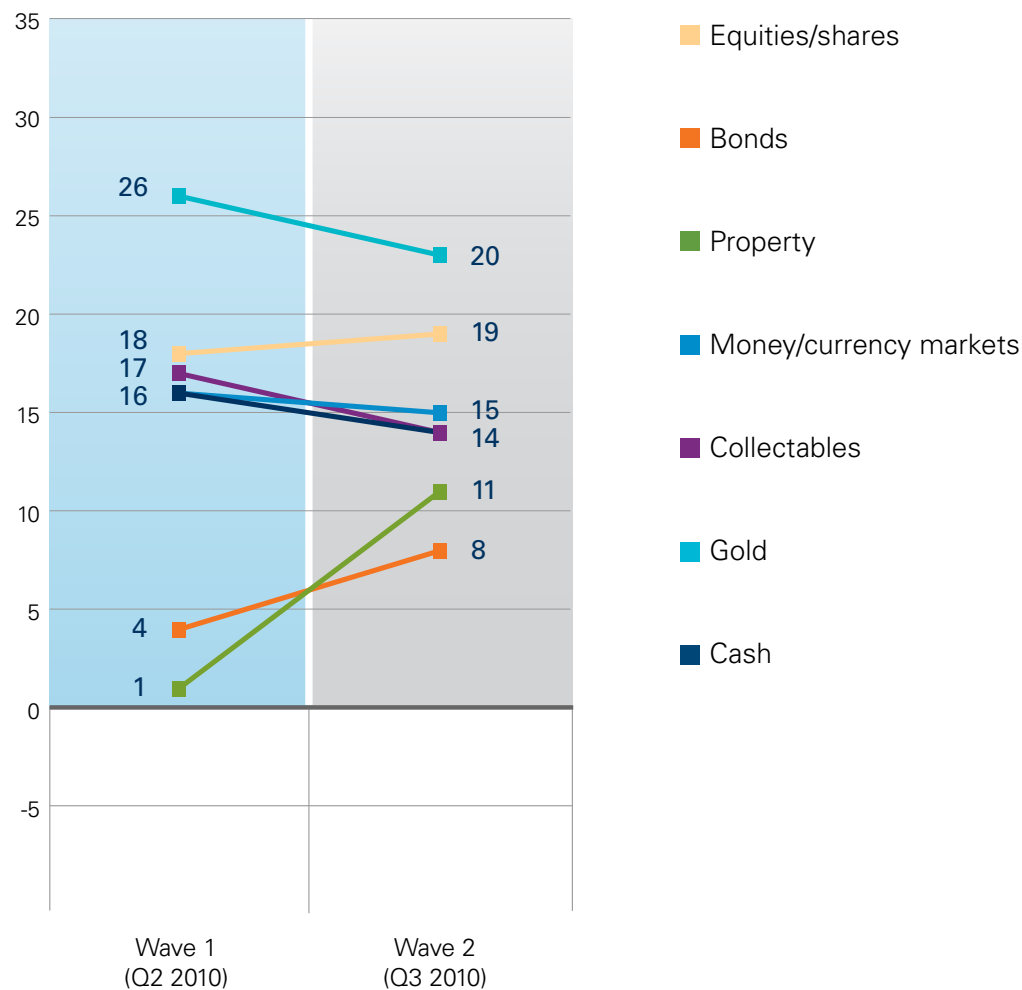


Friends Investor Attitudes Index – Hong Kong

Key learning

Gold and **equities** remain the **most favoured asset classes** in Hong Kong. However, there has been a positive move in both property and bonds. This suggests that Hong Kong respondents continue to have a balanced approach towards investment.

The surge in positive sentiment towards investing in property may be explained by predictions of rising house prices.



Q1. Do you think now is a very good, good, neither good nor bad, bad or very bad time to invest in the following categories? Base: All (excluding Don't knows).



Investment advice

Key learning

Hong Kong respondents are most likely to go to **friends or family** as well as **financial advisers** for information or advice in this wave. However, there was a slight reduction in the number of respondents who would choose these groups compared to wave 1.

This wave shows that respondents are also less likely to gather information from general financial websites.

	Wave 1	Wave 2
Friends / family	55%	50%
Financial adviser	49%	43%
Information from financial publications	44%	41%
Information from general finance websites	41%	34%
Adviser from a bank	30%	31%
Financial company websites	28%	24%
Stockbroker	21%	21%
Financial web forums	25%	23%
Insurance sales agent	18%	17%
I won't seek any advice	4%	4%



Indicates significant change from previous wave

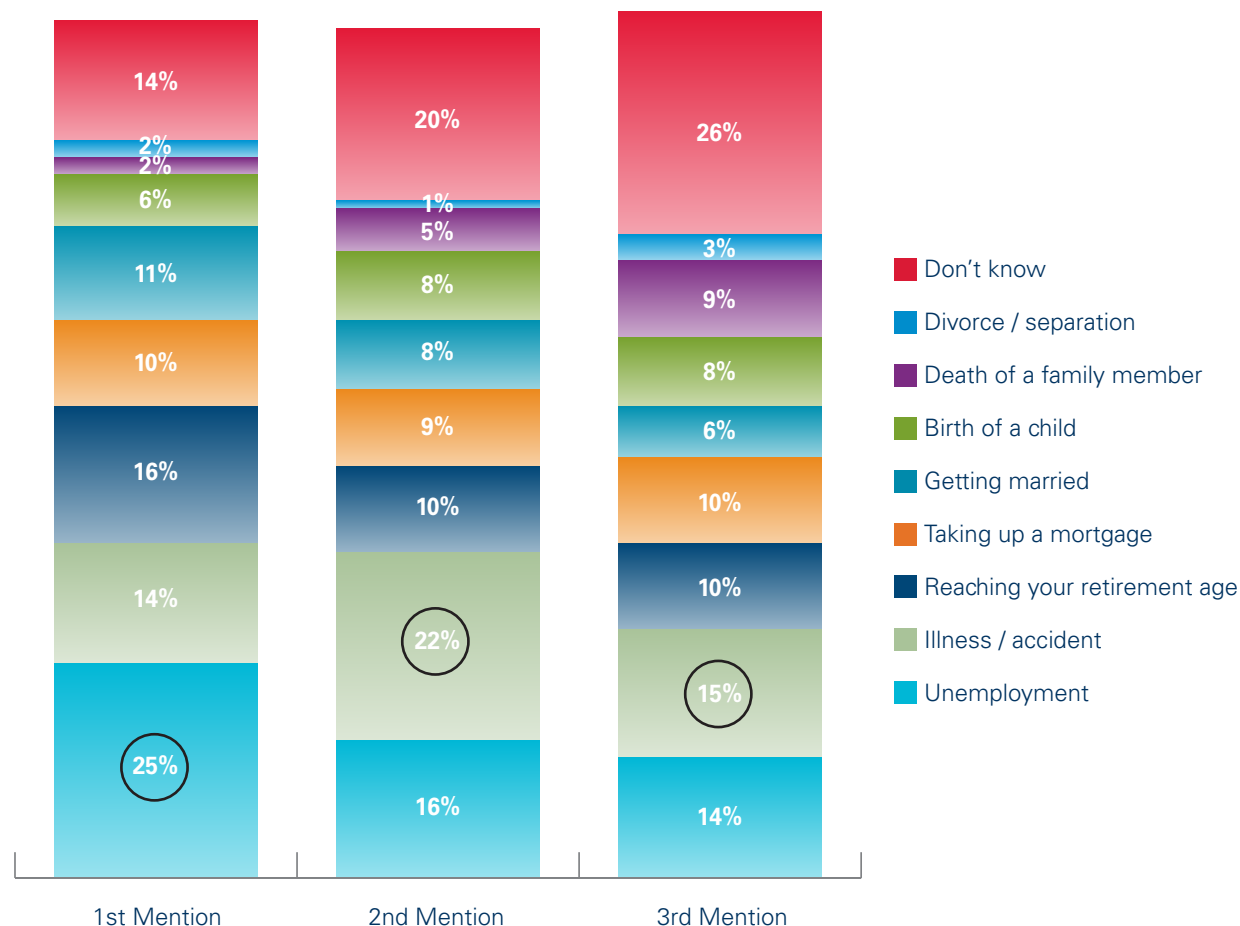
Q5.

Which of the following sources would you seek information and/or advice from before making an investment decision? Base: All, excluding those who said they would never invest their money in answer to Question 3.

Review of financial situation

Key learning

When asked what type of life events would prompt them to review their financial situations, **one in four mentioned unemployment as the first event that came to mind**, implying that job security plays a huge role in their financial planning. Apart from unemployment, an **illness, accident or retirement** would also prompt Hong Kong respondents to review their financial situation.



Q1. Of the following life events, please can you tell me which three would be most likely to prompt you to review your financial situation? Base: All respondents.

This question was only asked of Hong Kong respondents.

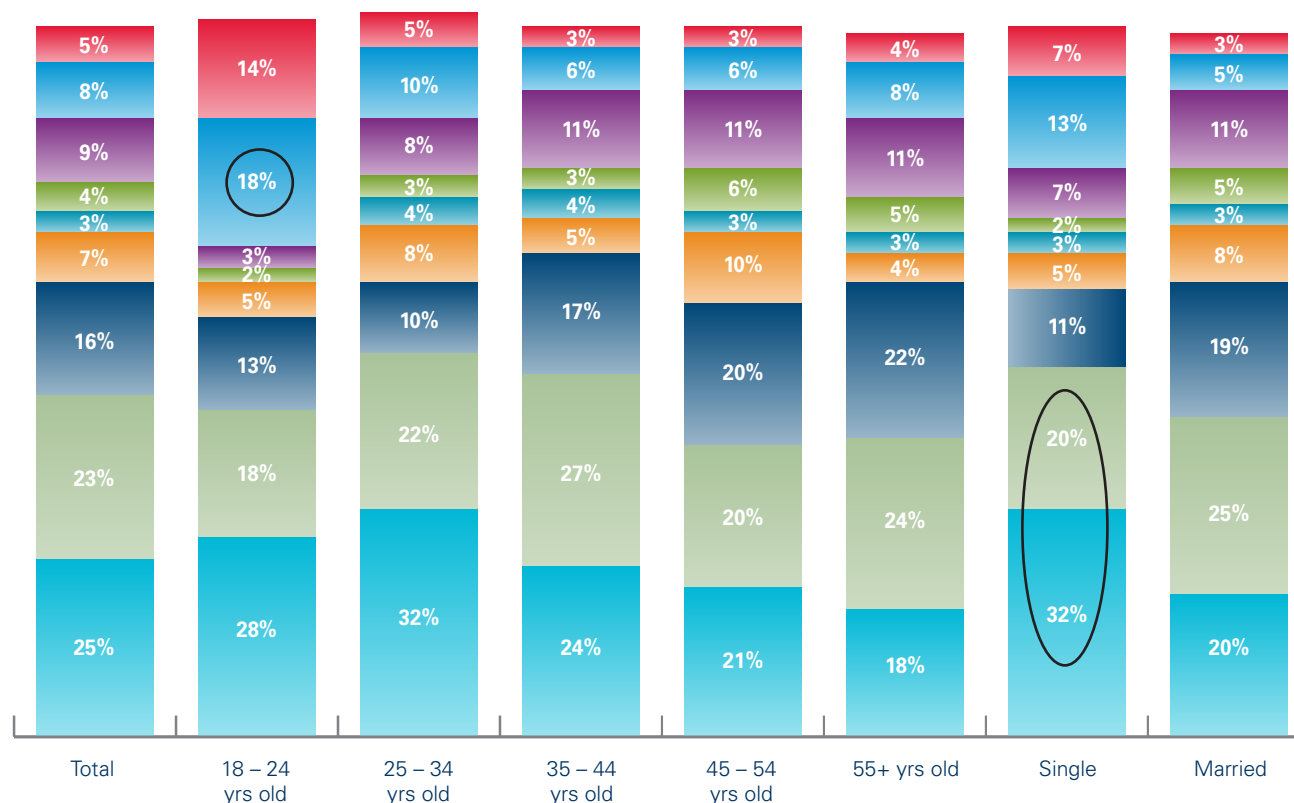
Review of protection needs

Key learning

Nearly half of Hong Kong respondents have reviewed their protection needs within the last year, suggesting that they are aware of the requirement for protection.

Interestingly, more single than married respondents reviewed their protection needs in the last year.

Not unexpectedly, the youngest age group (18 –24 year olds) has the highest proportion of those who said they have never reviewed their protection needs.



■ In the last 6 months
 ■ 6 months to a year
 ■ 1 - 2 years ago
 ■ 2 - 3 years ago
 ■ 3 - 4 years ago
■ 4 - 5 years ago
 ■ Longer than 5 years ago
 ■ Never
 ■ Don't know

Q2. When did you last review your protection needs? (by protection needs, we refer to the need for life and term life insurance, critical illness cover, medical cover etc)
 Base: All respondents.

This question was only asked of Hong Kong respondents.



The different segments

Affluent

(is defined as having investable assets worth HKD500k and above)

Where do they invest in the current climate?

Equities are the top choice (55%) though they would invest in **gold** (52%) too. They are more likely to go for bonds (42%)

Pensions are the preferred investment instrument

More likely to invest in **corporate bonds (32%)**

What is their investment strategy?

Prefer **medium to long-term** investments

48% said they would choose a **balanced approach** towards investing

Not as likely to turn to **friends or family** for investment advice (47%) as the other segments, **preferring financial advisers** instead

Who are they?

Skew towards **males (55%)**

Tend to be **older and married** – majority (56%) are **45+ yrs old** and 73% are married

Majority (66%) are **optimistic about the future investment outlook**

Reaching **retirement age (21%)** is the first thing to **prompt them to review their finances**

Aspiring affluent

(is defined as having investable assets from HKD100,001k to HKD499,999k)

Where do they invest in the current climate?

Equities are the top choice (52%)

Mutual funds are the preferred investment (44%)

Not likely to invest in fixed term deposits (24%) or **corporate bonds (25%)**

What is their investment strategy?

Prefer **short to medium-term** investments (53%)

44% said they would choose a **balanced approach** towards investing

Rely on **friends or family (51%)** for investment advice

Who are they?

Majority are in their **late 20s to early 40s** and more than half (63%) are **married**

Most optimistic of the three on future market outlook – 77% think the market will improve in the next six months

Unemployment (27%) is the first thing to **prompt them to review their finances**

Up and coming

(is defined as having investable assets up to HKD100k)

Where do they invest in the current climate?

Gold is the top choice (61%)

Endowments (savings plans) are the favourite instrument (56%)

Not likely to invest in corporate bonds (23%)

What is their investment strategy?

Prefer **short to medium-term** investments

Half said they would choose a **balanced approach** towards investing

Go to **friends or family (61%)** and **financial advisers (50%)** for investment advice

Who are they?

Skew towards **females (55%)**

Majority are **single** and **tend to be young** – in their early 20s to 30s. More than half **live in New Territories (62%)**

62% are **optimistic about the future investment outlook**

Unemployment (27%) is the first thing to **prompt them to review their finances**



Hong Kong demographic breakdown

Age	Hong Kong
18 to 24	12%
25 to 34	22%
35 to 44	24%
45 to 54	26%
55 to 64	16%
65 or older	–

Gender

Male	49%
Female	51%

Marital Status

Single	35%
Married	56%
Other	7%

Origin

Local	96%
Asia – Other	2%
Europe / Americas / Australia	1%
Africa	–

Employment

Working	82%
Not working	6%
Retired	3%
Student	4%
Stay at home mum / dad	5%

Annual Household Income (HKD)

Up to 163,000	18%
163,001 – 327,000	26%
327,001 – 654,000	27%
654,001 – 980,000	16%
More than 980,000	6%
Prefer not to answer	7%

Investable Assets (HKD)

None	6%
Less than 100,000	30%
100,001 – 499,999	21%
500,000 and above	34%
Prefer not to answer	9%



Singapore



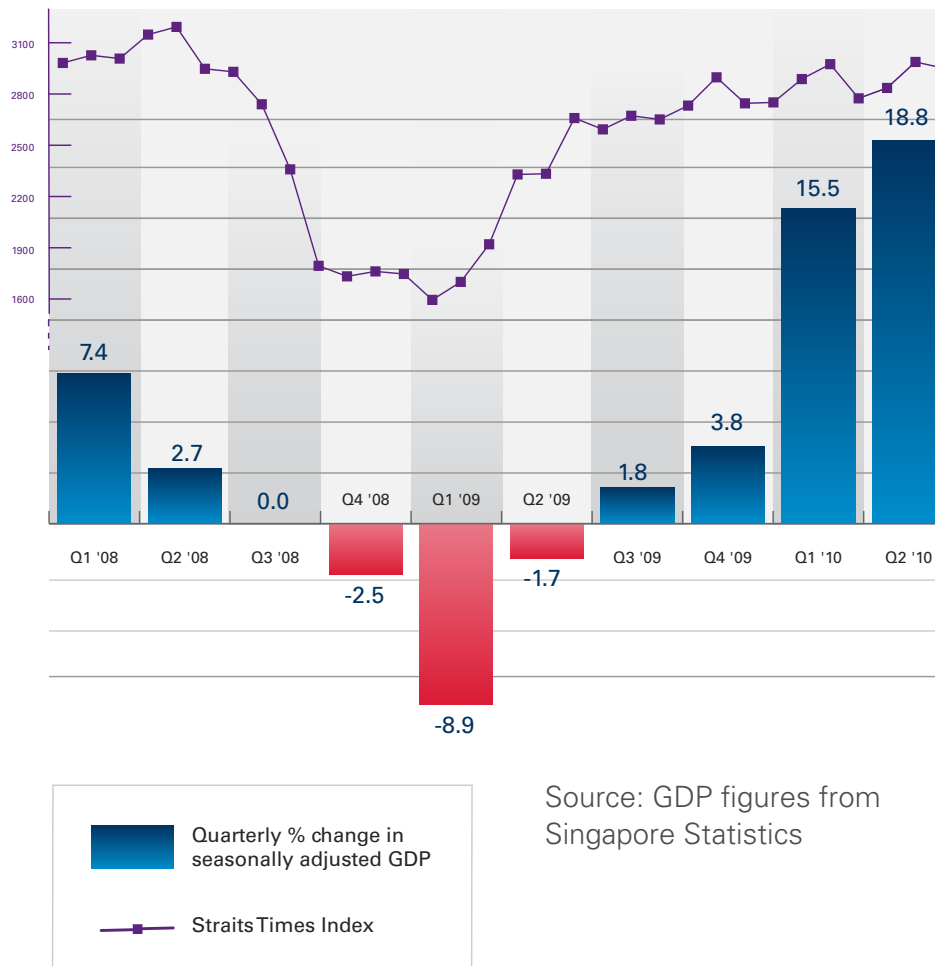
A look at the market

Key learning

Wave 2 fieldwork was conducted after the Singapore stock market had recovered from a correction in June.

Consumer sentiment was high in early August, after the record expansion of Singapore’s economy in the first half of the year, the recovery in stock market performance since our last survey and a payroll boost.

Amidst all the positive news, **there is concern about the sustainability of economic growth** in Singapore and the possibility of **double dip recessions in both US and Europe**. This could be why respondents are opting for safe haven products although they believe that the investment market significantly improved compared with six months ago.



Source: GDP figures from Singapore Statistics

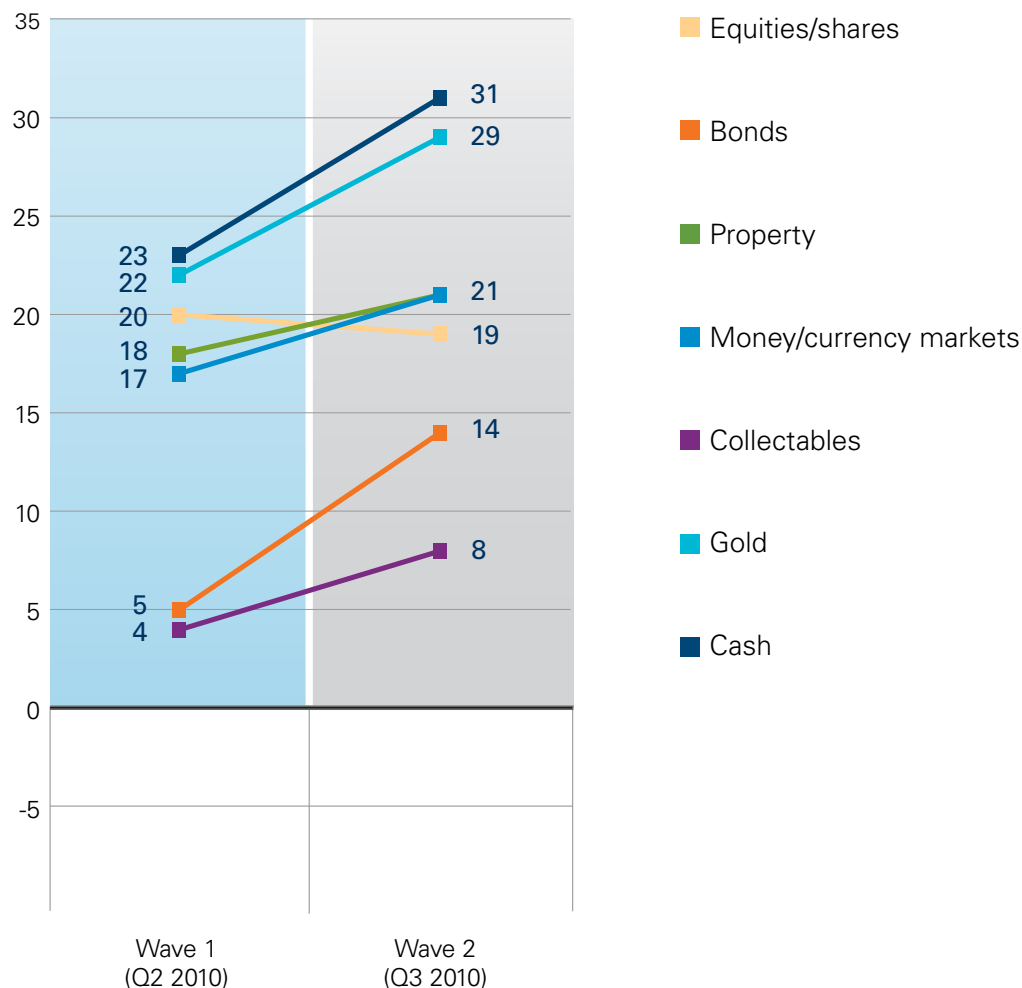
Friends Investor Attitudes Index – Singapore

Key learning

Most asset classes saw a positive shift in investment sentiment in this wave, with the **greatest increase in bonds, gold and cash.**

This rise in confidence is perhaps due to the strong economic growth in the first half of 2010, coupled with positive news coming from the region.

While Singapore respondents are more confident about investing, they still prefer to put their money in **safe haven assets.**



Q1. Do you think now is a very good, good, neither good nor bad, bad or very bad time to invest in the following categories? Base: All (excluding Don't knows).

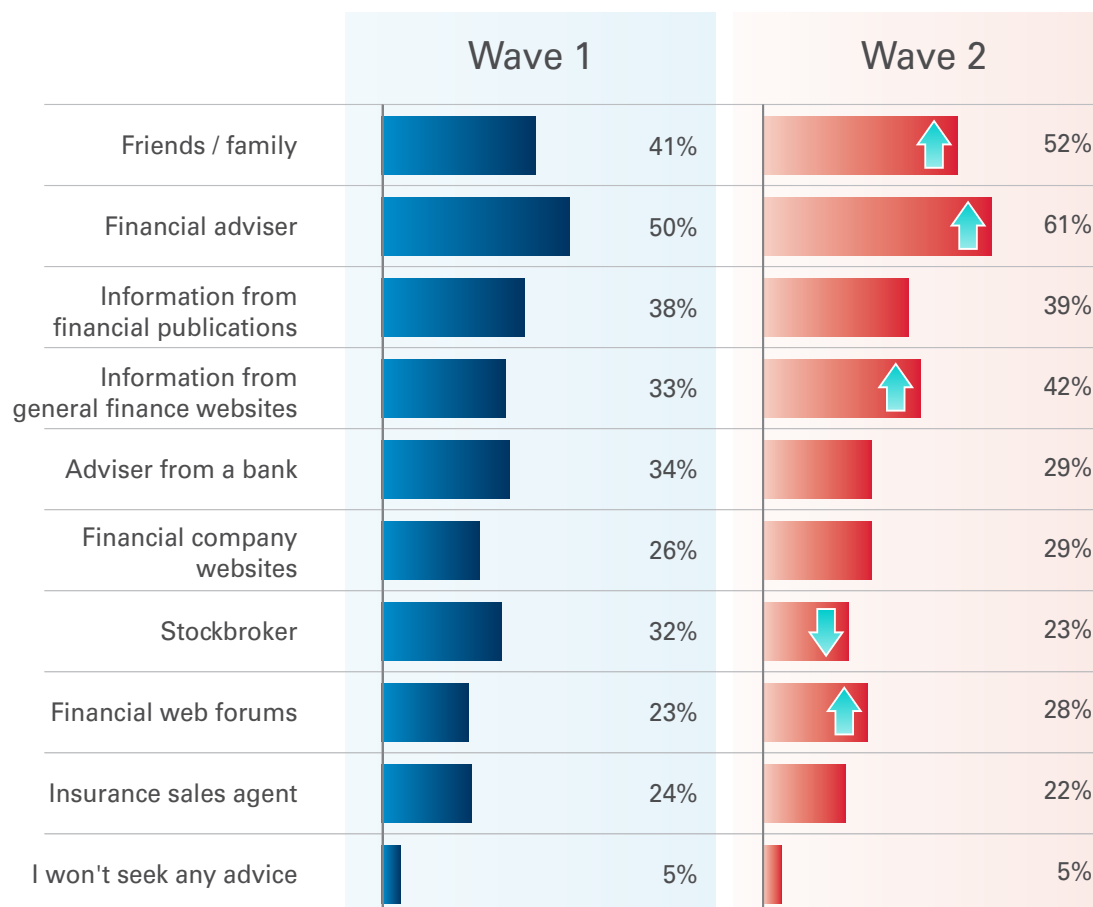
Investment advice

Key learning

Singapore respondents are more likely to approach more sources for information or advice in this wave.

Financial advisers remain the top source of information that Singapore investors consult, followed by **friends or family** and **general financial websites**. **Financial web forums** have become more popular in this wave.

Respondents are also less likely to approach stockbrokers for advice in this wave.



Indicates significant change from previous wave

Q5.

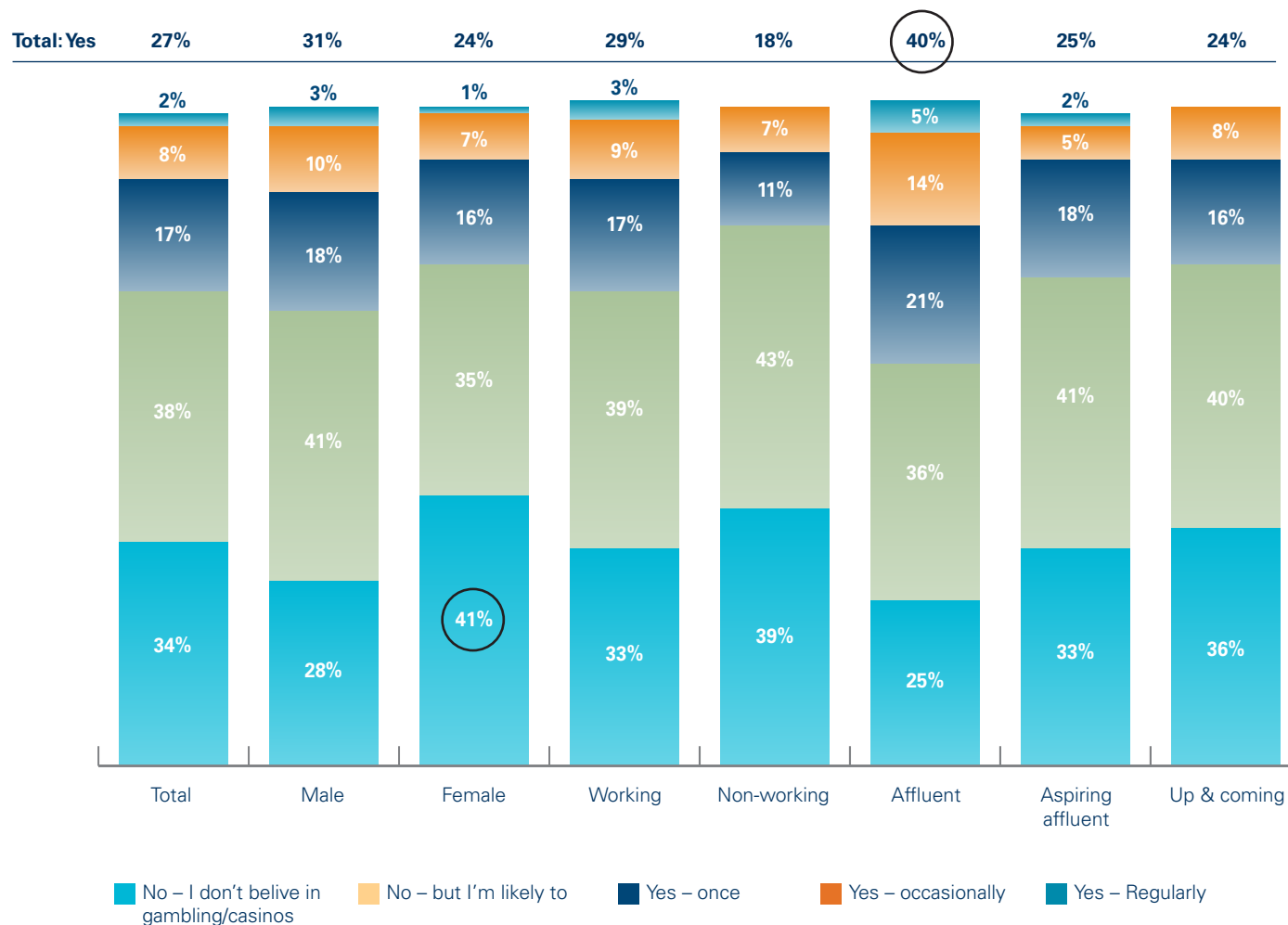
Which of the following sources would you seek information and/or advice from before making an investment decision? Base: All, excluding those who said they would never invest their money in answer to Question 3.

Visiting casinos

Key learning

Around one in four Singapore respondents has been to a casino in Singapore. The majority have been to the casinos only once or occasionally. **Singapore casinos are mainly visited by male and affluent respondents.**

A third of respondents said they do not believe in casinos or gambling, with a much higher occurrence among females than males.



Q1. Have you visited either of Singapore's new casinos, Marina Bay Sands or Resorts World Sentosa? Base: All Singapore respondents.

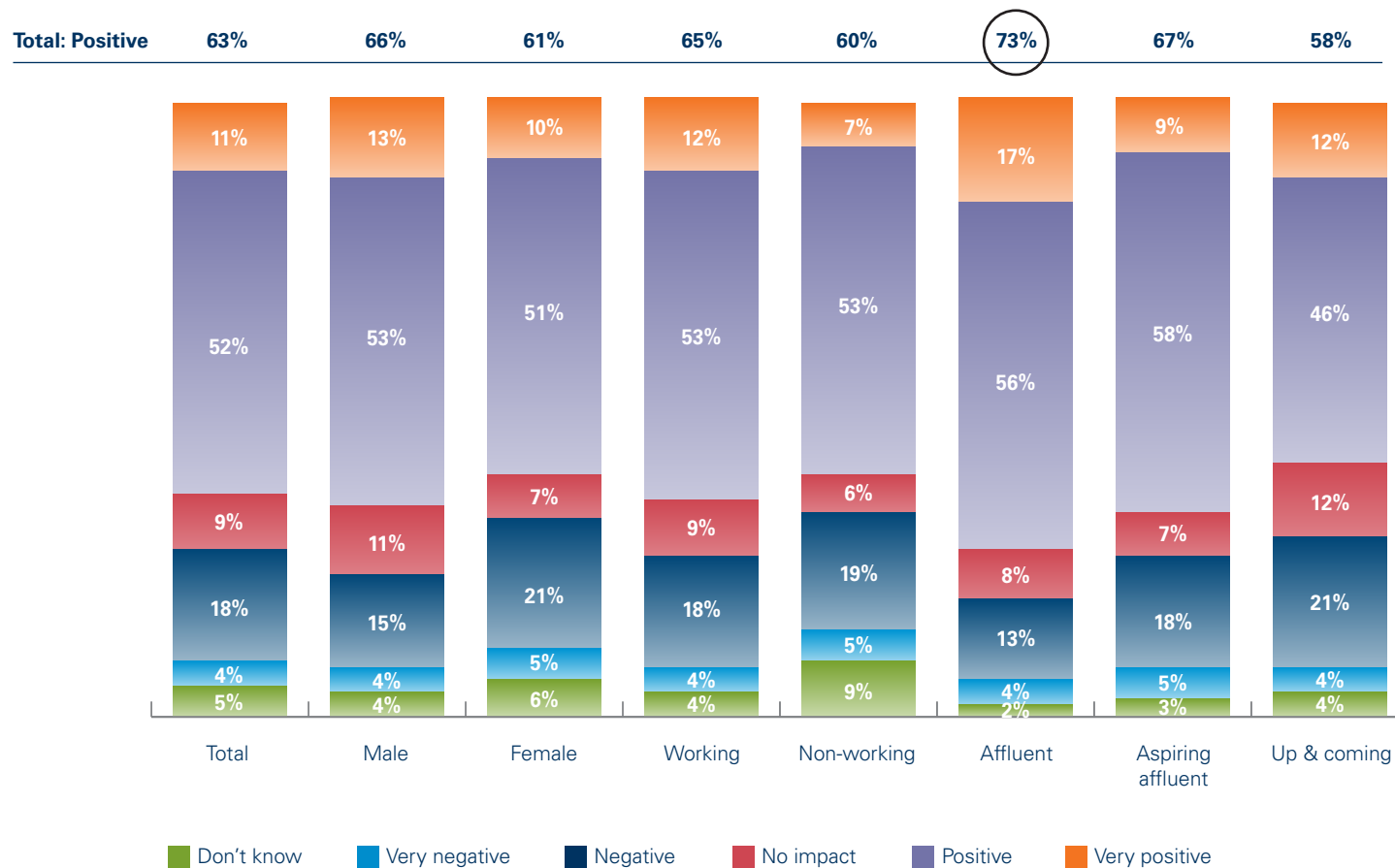
This question was only asked of Singapore respondents.

Impact of casinos on Singapore

Key learning

Even though there is a third who did not believe in casinos or gambling, **63% still believe that the casinos will have a positive impact on Singapore.**

Affluent respondents are more likely than other segments to agree that the casinos will have a positive impact.



Q2. Overall, what impact do you think the new casinos will have on Singapore?
Base: All Singapore respondents.

This question was only asked of Singapore respondents.

The different segments

Affluent

(is defined as having investable assets worth SGD80k and above)

Where do they invest in the current climate?

Cash (61%) and **gold** (60%) are the top choices and they are more likely than the other segments to invest in bonds (51%) in current climate

Endowments (savings plans) (62%) are the preferred investment instruments. That said, they are more likely than the other segments to invest in **corporate and government bonds**

What is their investment strategy?

Prefer **medium to long-term** investments

Skewed towards taking a **balanced approach** when it comes to investing (69%)

Turn to **financial advisers** for investment advice (61%)

Who are they?

Slight skew towards **males** (52%)

Tend to be **older and married** – around half are above 45 yrs old. 77% of them are married

81% expressed optimism about the current economy – most optimistic of the three segments

39% of them have been to the casino and most of them (73%) think that the **casinos will have a positive impact on the economy**

Aspiring affluent

(is defined as having investable assets from SGD20,001k to SGD79,999k)

Where do they invest in the current climate?

Think it is a good time to invest in **gold** (56%) and **cash** (58%)

Top choice of investment instrument is similar to affluent segment – **endowments (savings plans)** (56%)

What is their investment strategy?

Prefer **medium to long-term** investments

63% prefer a **balanced approach**

Rely on **financial advisers** (60%) for investment advice

Who are they?

Slight skew towards **males** (54%)

Majority are in their **mid 20s to mid 40s** and more than half (63%) are **married**

Majority (73%) are **optimistic about current economy**

One in four has been to a casino and the majority (64%) think that the **casinos will have a positive impact on the economy**

Up and coming

(is defined as having investable assets up to SGD20k)

Where do they invest in the current climate?

Go for **gold** (56%), followed by **property** (57%)

Endowments (savings plans) (50%) are the chosen instrument in the current climate

What is their investment strategy?

Prefers **short to medium-term** investments

63% go to **financial advisers** for investment advice. A similar proportion (62%) also ask **friends or family** for investment advice

Who are they?

Slight skew toward **females** (54%)

Tend to be **young** – more than half are below 35 yrs old – and **single**

Majority (69%) are **optimistic about current economy**

One in four has been to the casino and slightly more than half (59%) think that the **casinos will have a positive impact on the economy**

Singapore demographic breakdown

Age	Singapore
18 to 24	13%
25 to 34	24%
35 to 44	27%
45 to 54	23%
55 to 64	13%
65 or older	–

Gender

Male	50%
Female	50%

Marital Status

Single	34%
Married	62%
Other	3%

Origin

Local	87%
Asia – Other	12%
Europe / Americas / Australia	1%
Africa	1%

Employment

Working	82%
Not working	7%
Retired	2%
Student	5%
Stay at home mum / dad	5%

Annual Household Income (SGD)

Up to 39,500	19%
39,501 – 79,000	32%
79,001 – 158,000	28%
More than 158,000	14%
Prefer not to answer	8%

Investable Assets (SGD)

None	5%
Less than 20,000	22%
20,001 – 79,999	26%
80,000 and above	31%
Prefer not to answer	15%



A look at the market

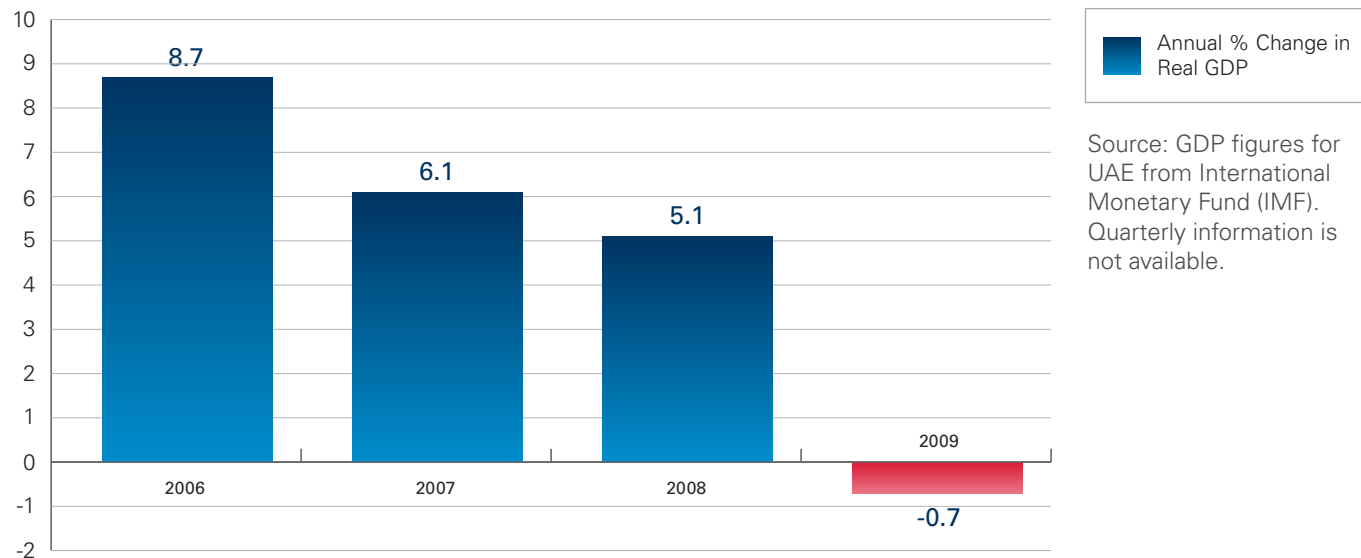
Key learning

Recovery in the UAE is sluggish after the financial crisis. Recently published economic data suggests that Abu Dhabi may see a second consecutive budget deficit this year while the International Monetary Fund predicted that Dubai's economy will shrink by 0.5% this year.

House prices in Abu Dhabi have declined by 30% since their peak in 2008, while values in Dubai decreased by more than half over the same period.

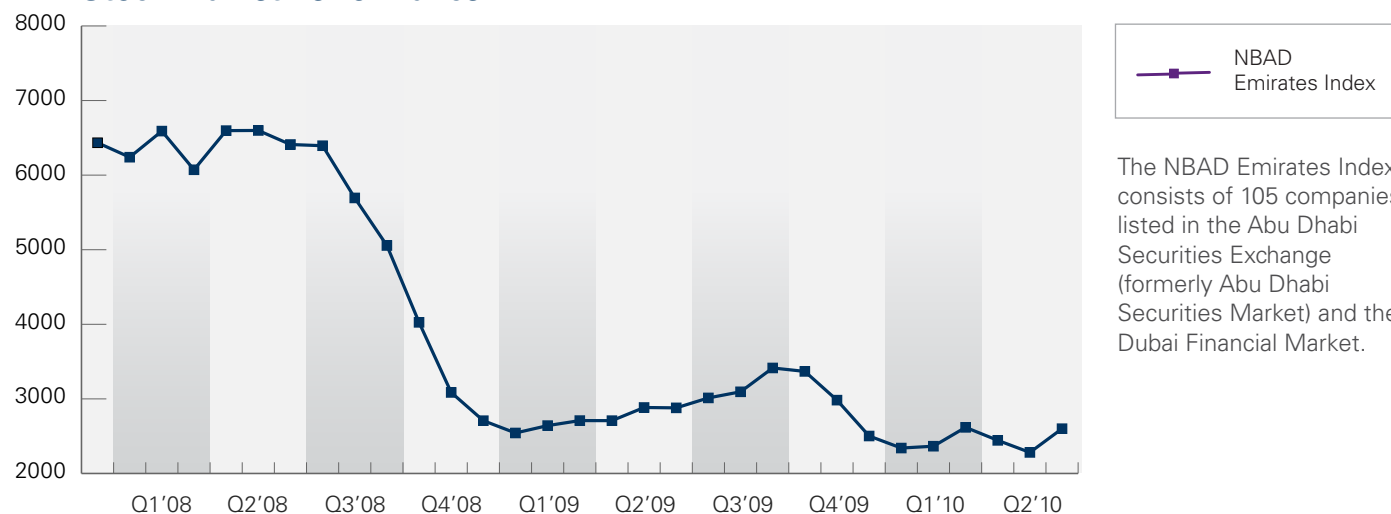
UAE respondents remain pessimistic about the current investment environment, they continue to avoid riskier investments such as equities, choosing instead to invest in cash and gold.

GDP (Gross Domestic Product)



Source: GDP figures for UAE from International Monetary Fund (IMF). Quarterly information is not available.

Stock Market Performance



The NBAD Emirates Index consists of 105 companies listed in the Abu Dhabi Securities Exchange (formerly Abu Dhabi Securities Market) and the Dubai Financial Market.

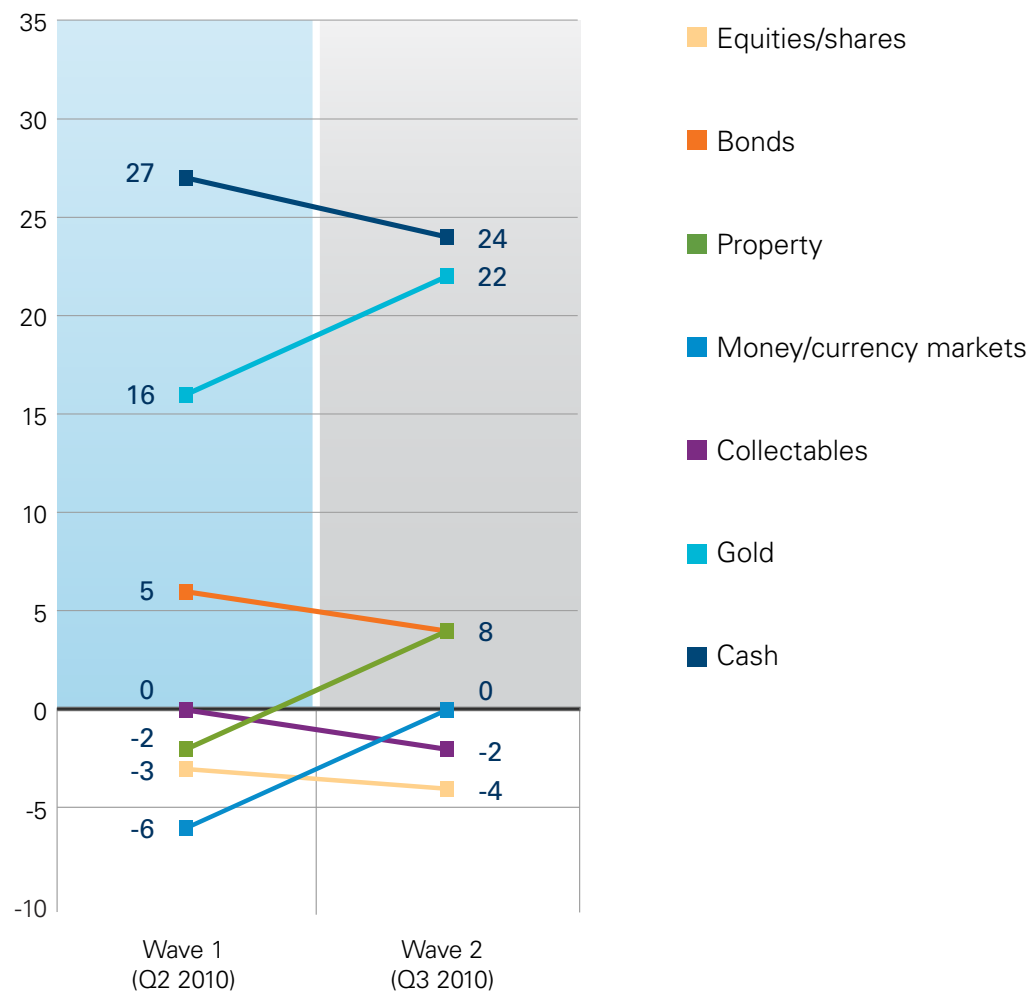
Friends Investor Attitudes Index – UAE

Key learning

Compared to Hong Kong and Singapore, **UAE respondents remain the most sceptical** about investing, preferring to invest in **gold** and **cash** and **remain less interested in all other asset classes.**

There is a **positive shift towards investing in property.**

Perhaps some investors are taking advantage of the decline in house prices to start thinking about investing in property?



Q1. Do you think now is a very good, good, neither good nor bad, bad or very bad time to invest in the following categories? Base: All (excluding Don't knows).

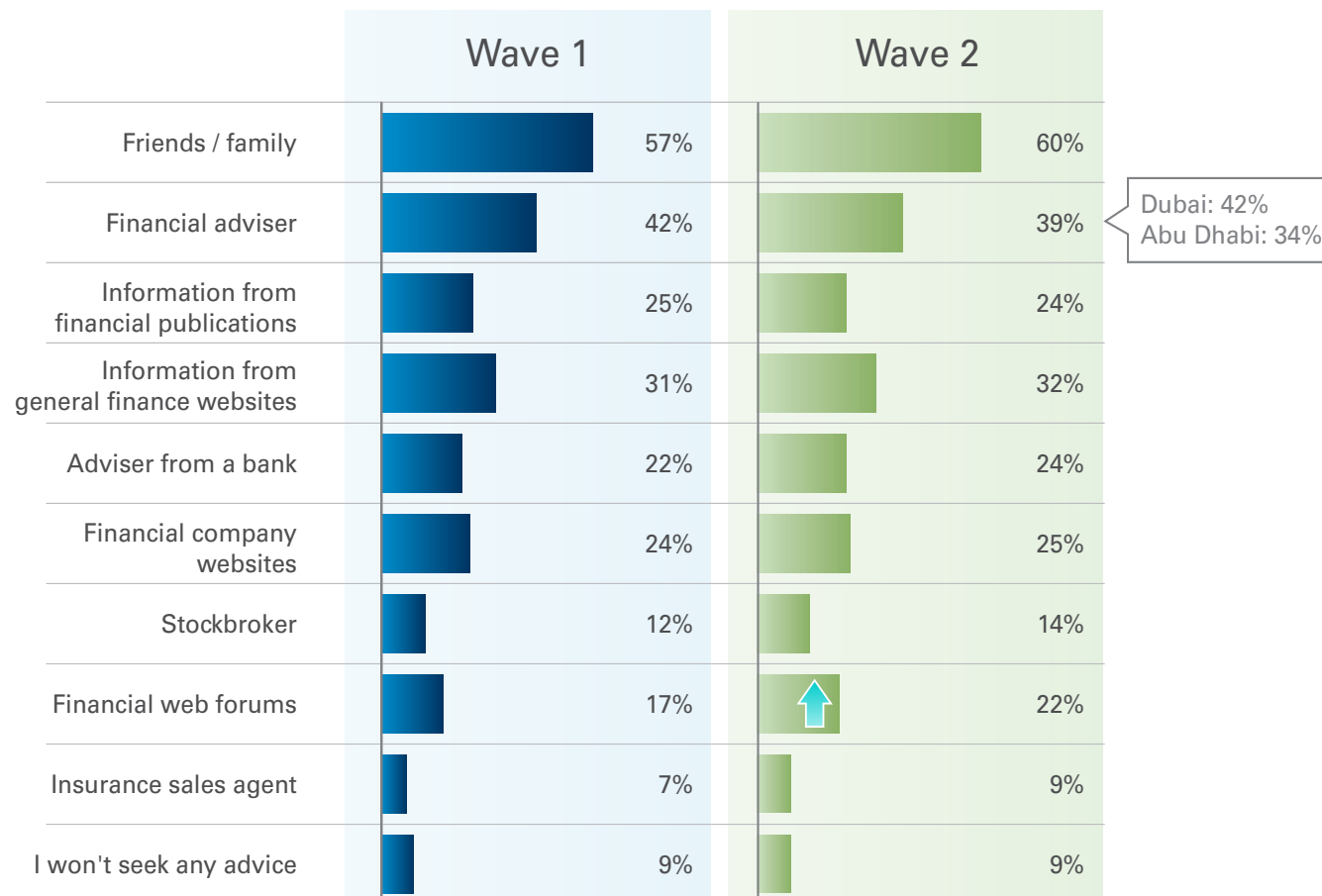
Investment advice


Key learning

As in the previous wave, UAE respondents are most likely to go to **friends or family** for information and advice, followed by **financial advisers**.

Respondents in Dubai are more likely to seek information and advice from financial advisers than those in Abu Dhabi.

Though only one in five UAE respondents turn to financial web forums for information and advice, this is a significant increase from the last wave – *this could possibly be a growing channel for communicating information and sharing insights?*



 Indicates significant change from previous wave

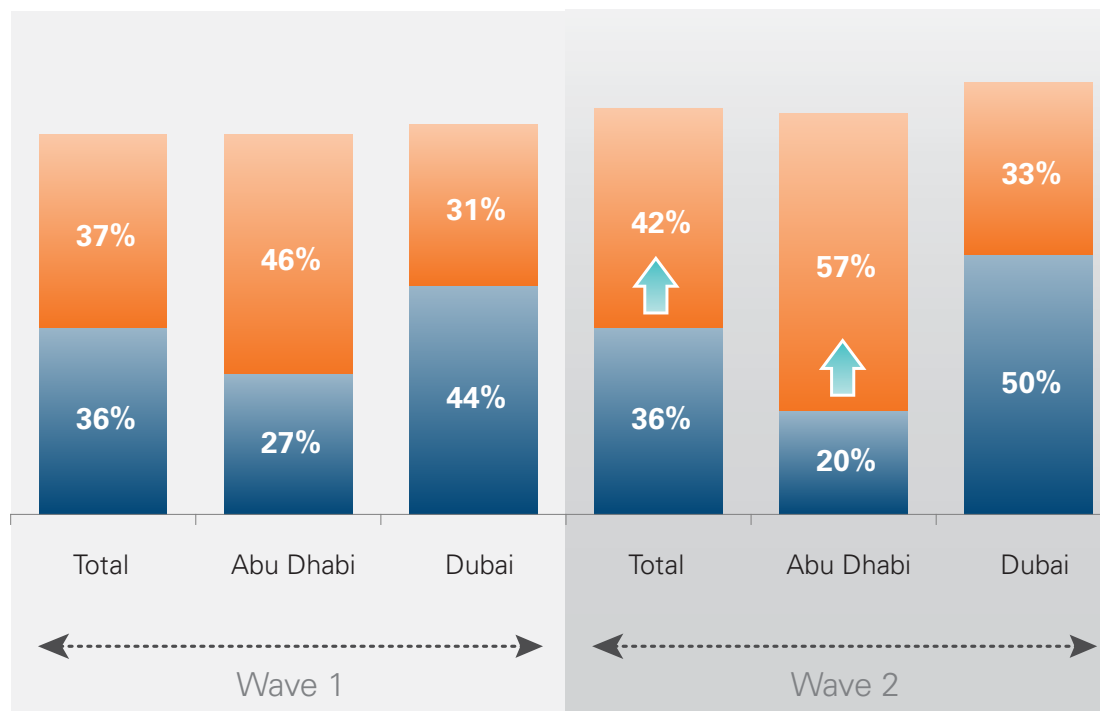
Q5. Which of the following sources would you seek information and/or advice from before making an investment decision? Base: All, excluding those who said they would never invest their money in answer to Question 3.

Investing in the Middle East


Key learning

Compared to wave 1, there is a **slight increase in the proportion of UAE respondents who are happy to invest in the Middle East.**

Respondents in **Abu Dhabi** are **much more likely to invest in the Middle East** than those residing in Dubai.



 Still happy to invest in Middle East  Would prefer to invest elsewhere

 Indicates significant change from previous wave

Q1. Following the international financial crisis, are you still happy to invest in your region of residence (Middle East) or would you prefer to look elsewhere?
Base: This question was only asked of UAE respondents.

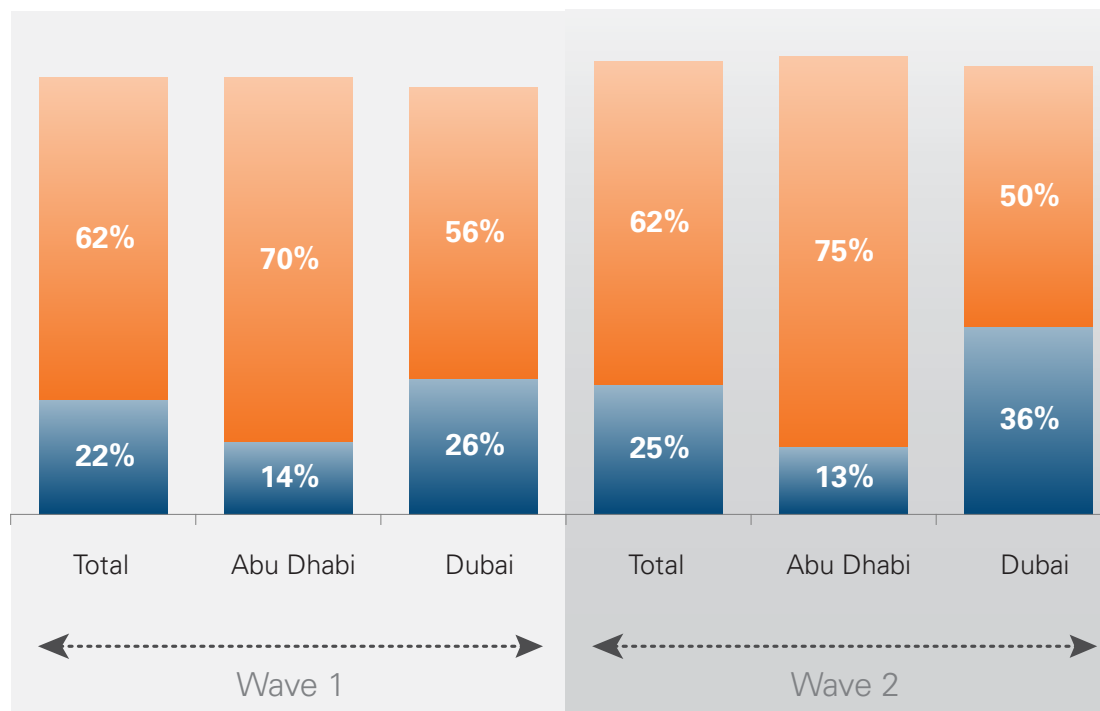
Despite the focus on Dubai and Abu Dhabi, respondents are interviewed across the UAE.

Ethically screened investments

Key learning

The majority agreed that **it is important to use ethically screened investments.**

Abu Dhabi respondents are more likely to agree that it is important to have ethically screened investments than respondents in Dubai.



■ Total: Important

■ Total: Not important

Q2. How important is it to you to use ethically screened investments, such as Sharia'h compliant, 'green' products etc? Base: This question was only asked of UAE respondents.

Despite the focus on Dubai and Abu Dhabi, respondents are interviewed across the UAE.

The affluent segment

Affluent

(>AED200k)

Where do they invest in the current climate?

Gold (52%) and **property** (49%) are the preferred asset classes in the current climate, followed by cash (47%) and equities. 45% think that it is a good time to invest in equities, significantly higher than the proportion (33%) achieved in the nationwide sample

Prefer to invest in **endowments (savings plans)** (54%) and **pensions** (52%)

What is their investment strategy?

More likely to go for **medium to long-term** investment

More than half (59%) said they would choose a **balanced approach** towards investing

Rely on **friends or family** for investment advice

Who are they?

Majority are **males** (85%)

Tend to be **in mid 20s to early 40s** – 79% are 44 yrs and below

80% are **married**

More than half reside in Dubai (52%)

Prefer to invest outside of Middle East and less likely to think that it is important to use ethically screened investments

*Please note that for UAE, 46% of total respondents were either unwilling to reveal the sum of their investable assets, or claim to have no investable assets.

UAE demographic breakdown

Age	UAE
18 to 24	17%
25 to 34	41%
35 to 44	27%
45 to 54	11%
55 to 64	3%
65 or older	1%

Gender

Male	73%
Female	27%

Marital Status

Single	34%
Married	64%
Other	2%

Origin

Local	17%
Asia – Other	65%
Europe / Americas / Australia	5%
Africa	12%

Employment

Working	83%
Not working	5%
Retired	1%
Student	6%
Stay at home mum / dad	7%

Annual Household Income (AED)

Up to 70,800	33%
70,801 – 176,400	26%
176,401 – 352,800	17%
More than 352,800	10%
Prefer not to answer	13%

Investable Assets (AED)

None	10%
Less than 200,000	37%
200,001 and above	17%
Prefer not to answer	36%



Overall demographic breakdown

Hong Kong

Annual Household Income (HKD)

Up to 163,000	18%
163,001 – 327,000	26%
327,001 – 654,000	27%
654,001 – 980,000	16%
More than 980,000	6%
Prefer not to answer	7%

Investable Assets (HKD)

None	6%
Less than 100,000	30%
100,001 – 499,999	21%
500,000 and above	34%
Prefer not to answer	9%

Singapore

Annual Household Income (SGD)

Up to 39,500	19%
39,501 – 79,000	32%
79,001 – 158,000	28%
More than 158,000	14%
Prefer not to answer	8%

Investable Assets (SGD)

None	5%
Less than 20,000	22%
20,001 – 79,999	26%
80,000 and above	31%
Prefer not to answer	15%

UAE

Annual Household Income (AED)

Up to 70,800	33%
70,801 – 176,400	26%
176,401 – 352,800	17%
More than 352,800	10%
Prefer not to answer	13%

Investable Assets (AED)

None	10%
Less than 200,000	37%
200,001 and above	17%
Prefer not to answer	36%

Age	Hong Kong	Singapore	UAE
18 to 24	12%	13%	17%
25 to 34	22%	24%	41%
35 to 44	24%	27%	27%
45 to 54	26%	23%	11%
55 to 64	16%	13%	3%
65 or older	-	-	1%

Gender

Male	49%	50%	73%
Female	51%	50%	27%

Marital Status

Single	35%	34%	34%
Married	56%	62%	64%
Other	7%	3%	2%

Origin

Local	96%	87%	17%
Asia – Other	2%	12%	65%
Europe / Americas / Australia	1%	1%	5%
Africa	-	1%	12%

Employment

Working	82%	82%	83%
Not working	6%	7%	5%
Retired	3%	2%	1%
Student	4%	5%	6%
Stay at home mum / dad	5%	5%	7%



Glossary

Affluent segments:

Investors for each region are classified into different affluent segments, namely Affluent, Aspiring Affluent and Up and Coming, based on their total investable assets (inclusive of all financial assets including cash, bonds, equities, pensions etc but excluding primary residences, collectables and consumer durables).

The definitions for the segments are:

Affluent

Investors with total investable assets more than HKD 500,000 or SGD 80,000 or AED 200,000.

Aspiring Affluent

Investors with total investable assets more than HKD 100,000 and up to HKD 499,999, or more than SGD 20,000 and up to SGD 79,999.

Up and Coming

Investors with total investable assets up to HKD 100,000 or SGD 20,000.

Significant

Significant means that there is a statistical belief that sentiment on the topic has either risen or fallen across the nation between the waves of interviewing. A significant change from one number to another is a change that is unlikely to have occurred by chance or as a consequence of sampling. It means that, should the data show a significant rise from one wave to the next, then should you have interviewed the whole population in one wave, and then interviewed them again in the second wave, there is statistical belief that a rise in sentiment on the topic in hand would be seen. In this document, and generally within market research, all statistical significances are down to a 5% margin of error, meaning that we are 95% confident these changes are reflective of real attitude shifts in the population.



Contact us

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