



PRESENTED BY
Præmium

Advising Australia's Affluent

Strategies for success

At Praemium we acknowledge the Traditional Custodians of Country.
We pay our respect to their Elders past, present, and emerging for they hold
the memories, traditions, and culture of First Nations People.



Disclaimer

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The research quoted in this presentation is based on the Praemium/Investment Trends HNW Investor Survey which is based on a quantitative online survey of HNW investors conducted by Investment Trends in June and July 2023. Total responses after data cleansing and validation: n=1531 HNW investors. HNW investors are defined as those who have at least \$1m in investable assets – net wealth clear of debt, excluding own home, business and super (but including SMSF assets).

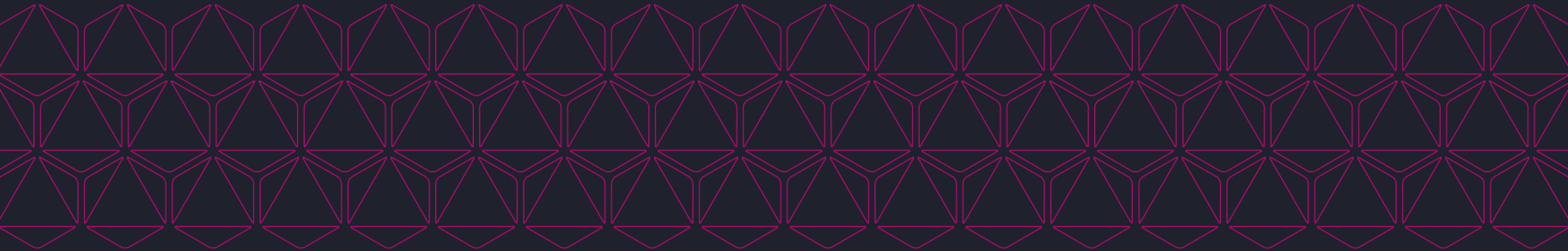
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Agenda

- » **The HNW Investor**
- » **Investment preferences**
- » **Advice needs**
- » **Intergenerational Wealth Transfer**
- » **Digital engagement**
- » **Strategies for success**

The HNW Investor

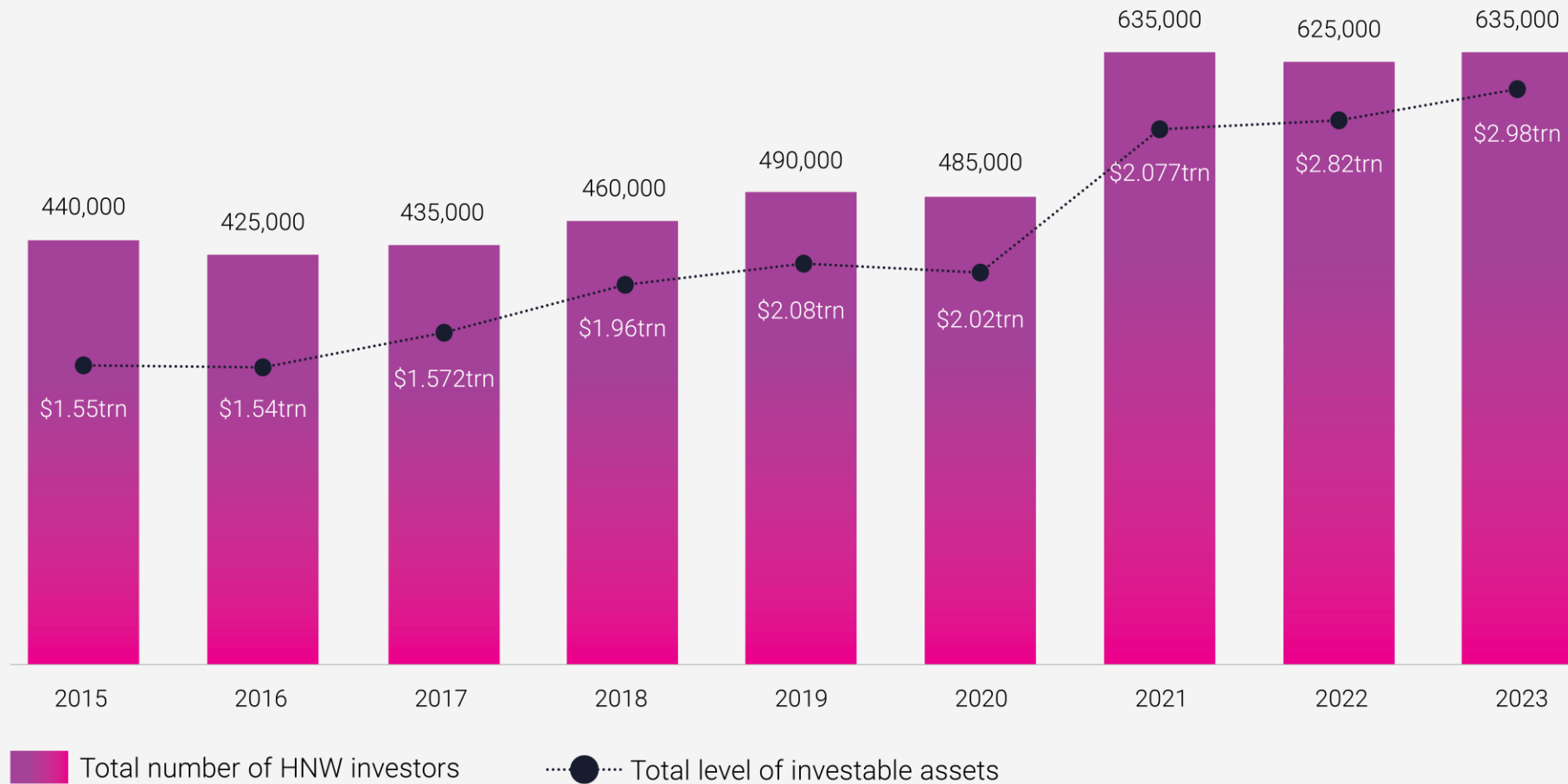


HNW Investor Profile

		Emerging Affluent \$1m-\$2.5m	Established Affluent \$2.5m-\$5m	Established Affluent \$5m-\$10m	UHNW \$10m-\$70m
Average age		63	66	66	70
% that have SMSF		56%	69%	77%	90%
Business ownership		39%	51%	65%	70%
Typical profession		Business exec. (11%) Engineer (10%) IT/Computer specialist (8%)	Business exec. (15%) Accountant 12%) IT/Computer specialist (8%)	Business exec. (16%) Medical doctor (10%) C-Suite executive (10%)	Business exec. (29%) Engineer (14%) Medical doctor (11%)
Retired		44%	50%	46%	40%

The HNW investor landscape

Trend in total level of investable assets in \$tn and number of HNW investors

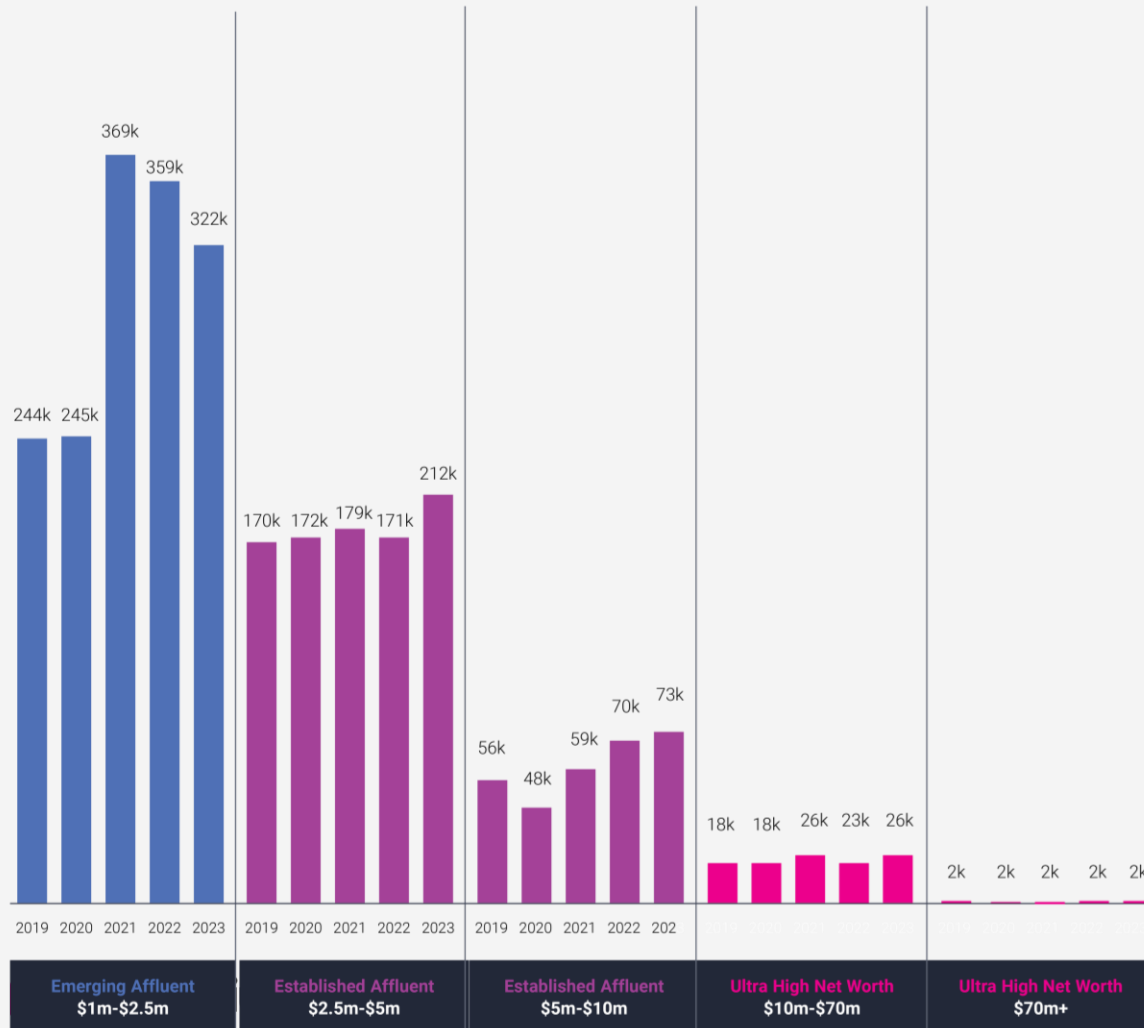


*investable assets over \$1m net wealth clear of debt excluding own home, business and super but includes SMSF assets

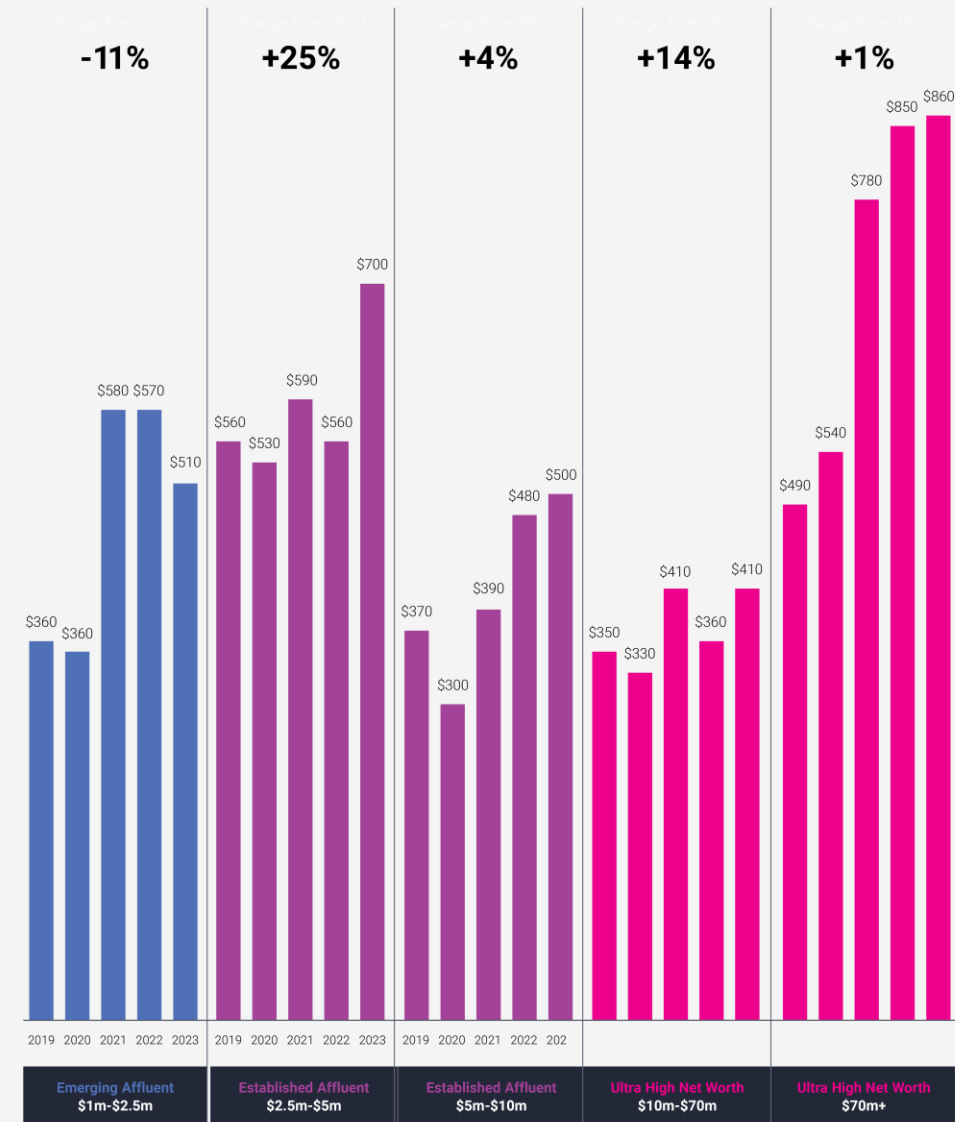


Established affluent - \$2.5m - \$5m growing most substantially in number and wealth

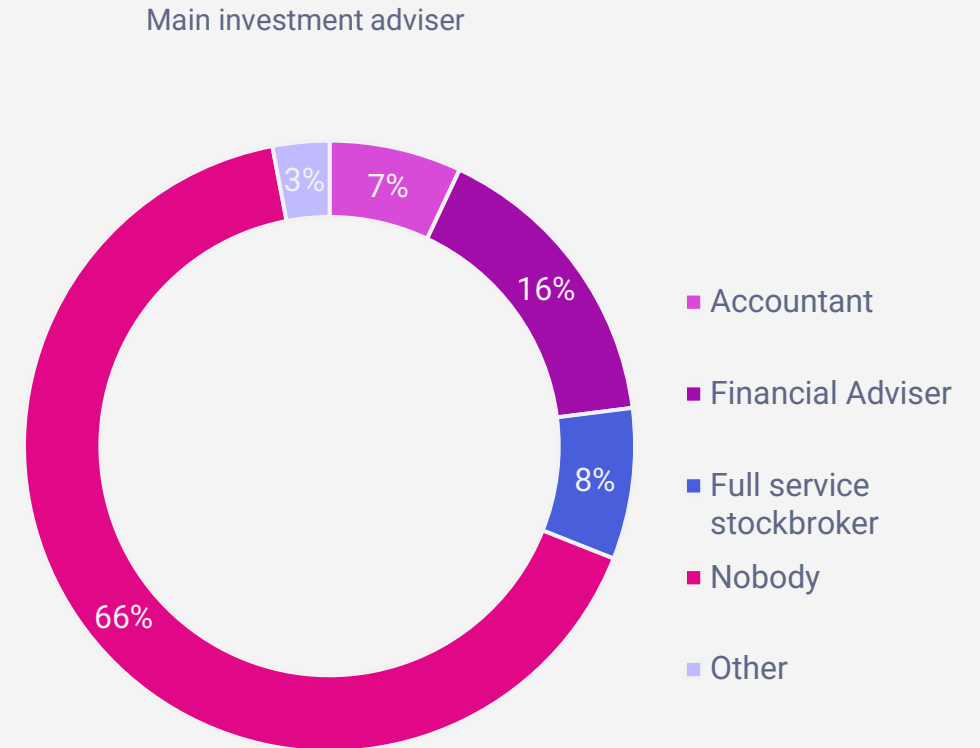
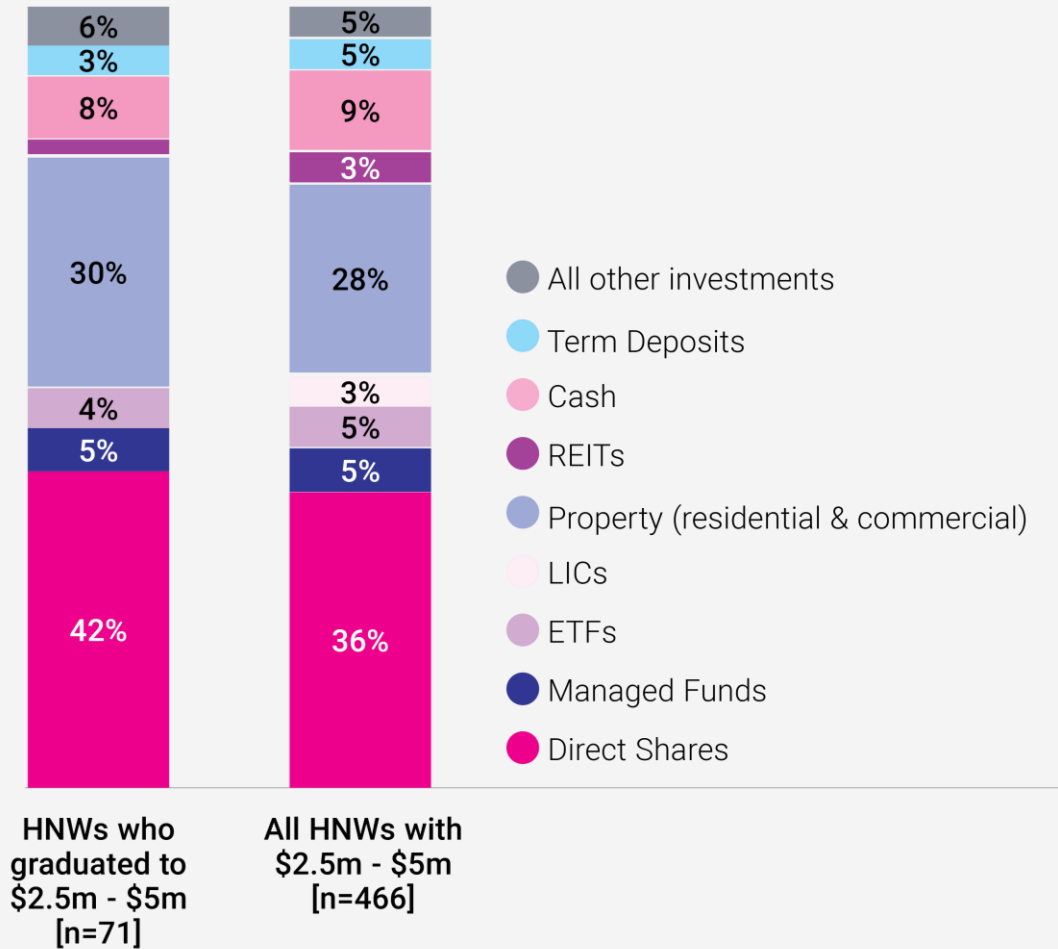
Trend in number of HNWs in each bracket



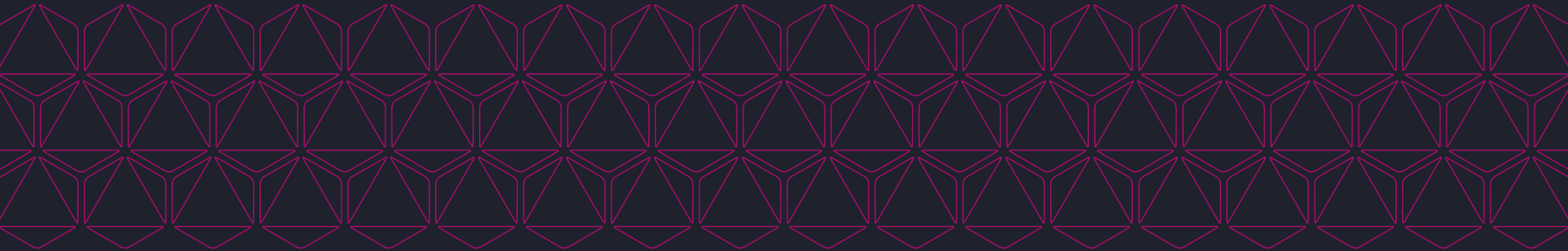
Trend in total level of investable assets (in \$bn) among HNW investors



Recent graduates to \$2.5m - \$5m an opportunity for advisers

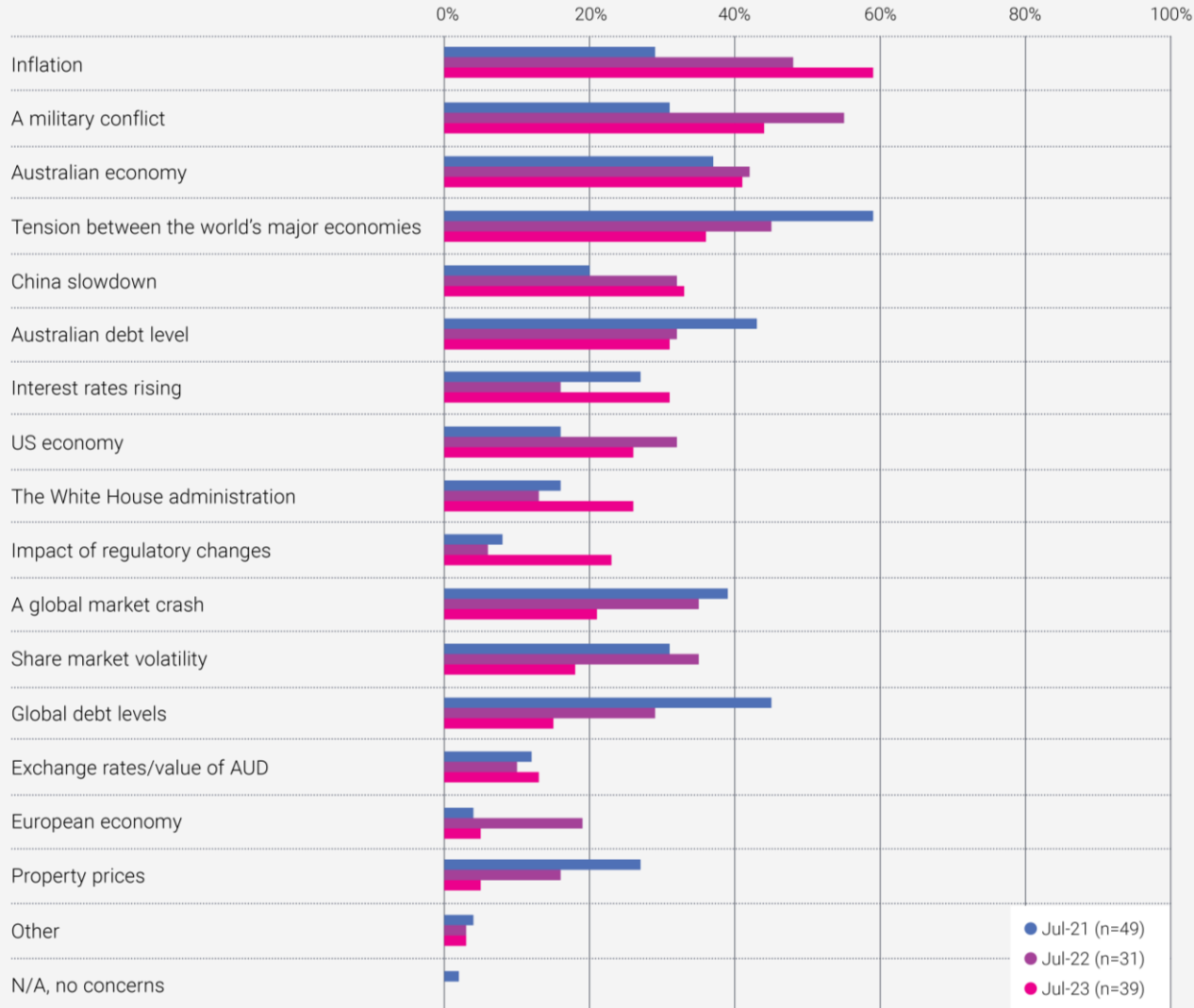


Investment preferences



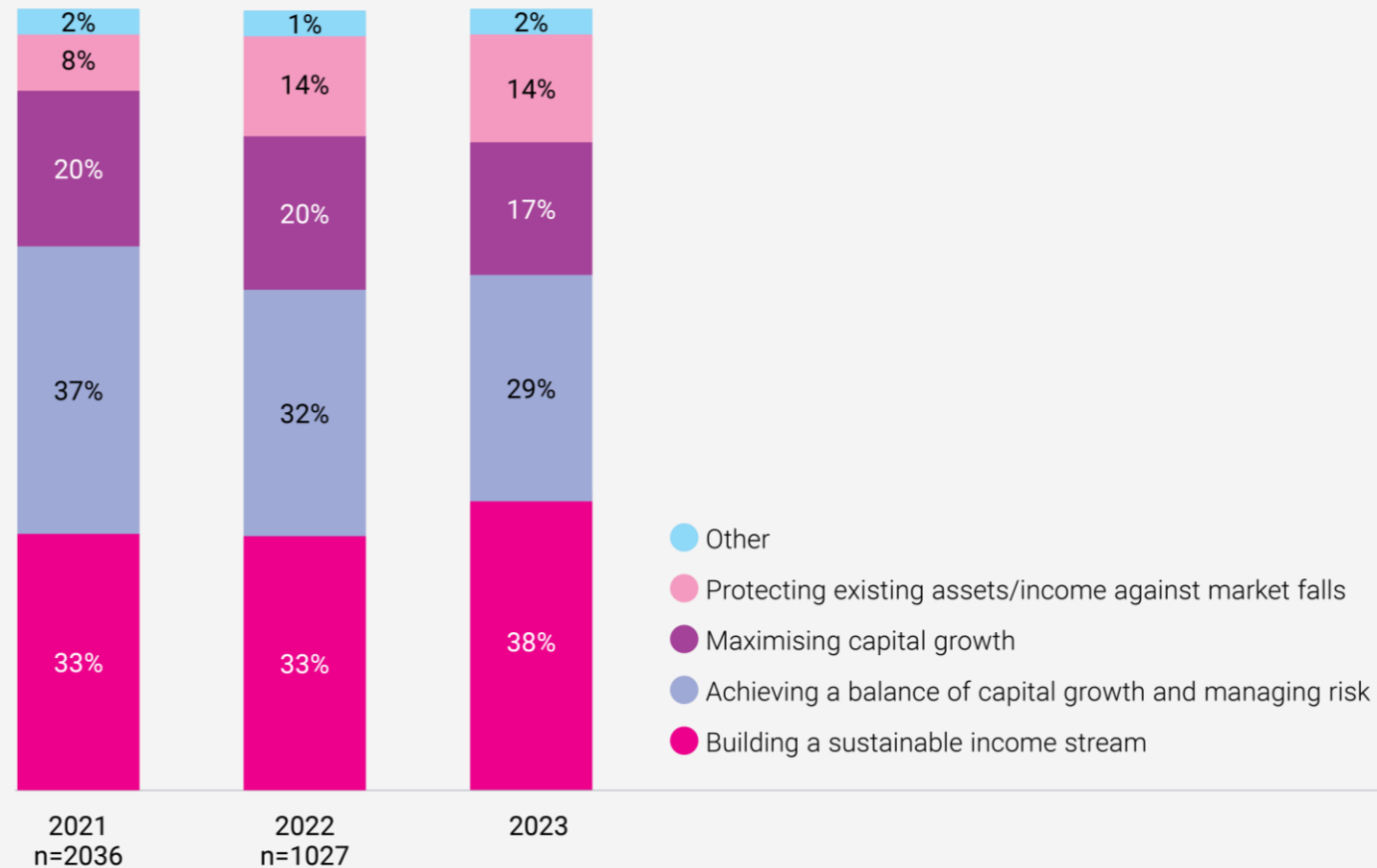
Key investment concerns

What are you most concerned about in relation to your investments?



Income generation becoming an increasing focus

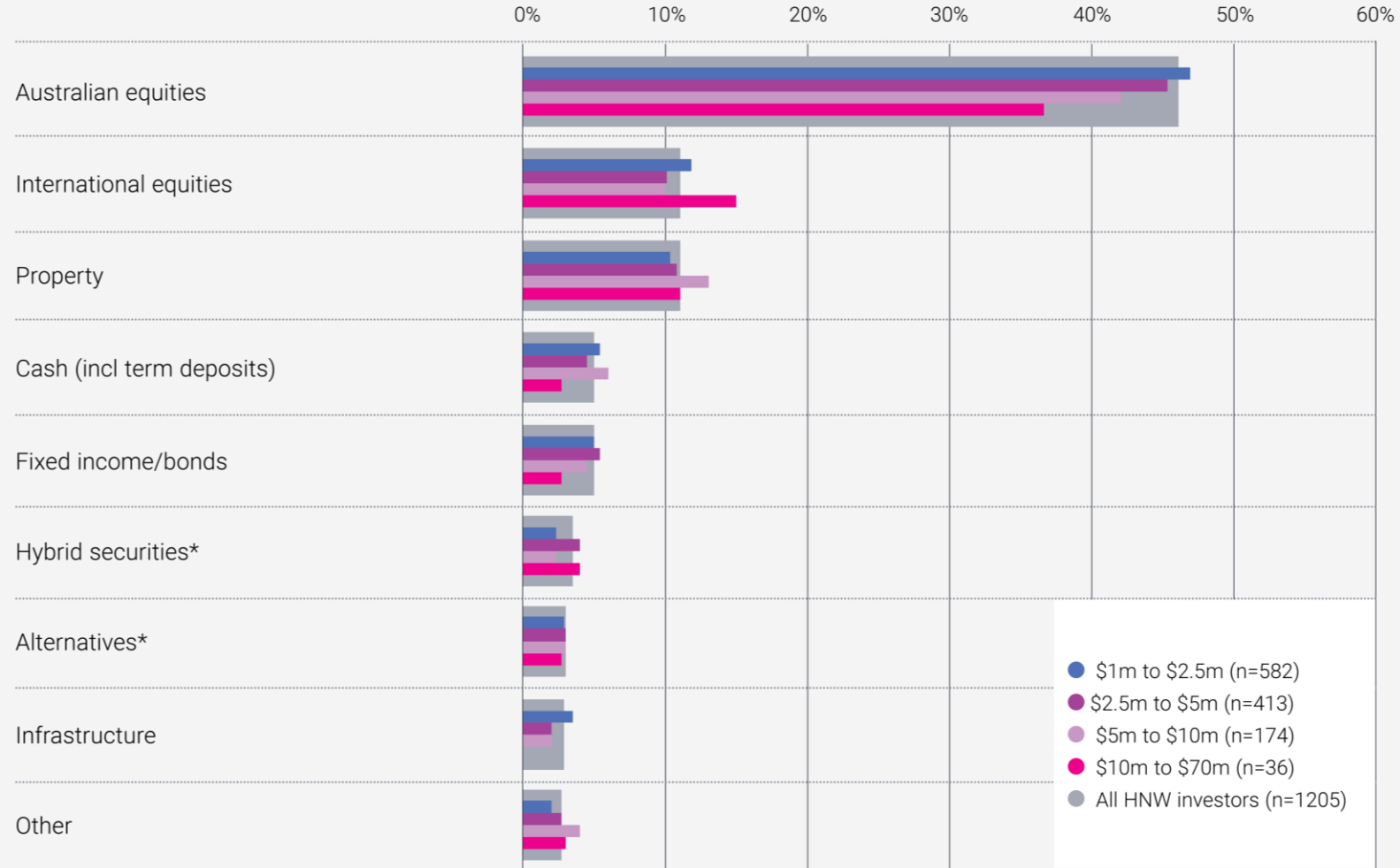
Primary investment goal over the next 12 months





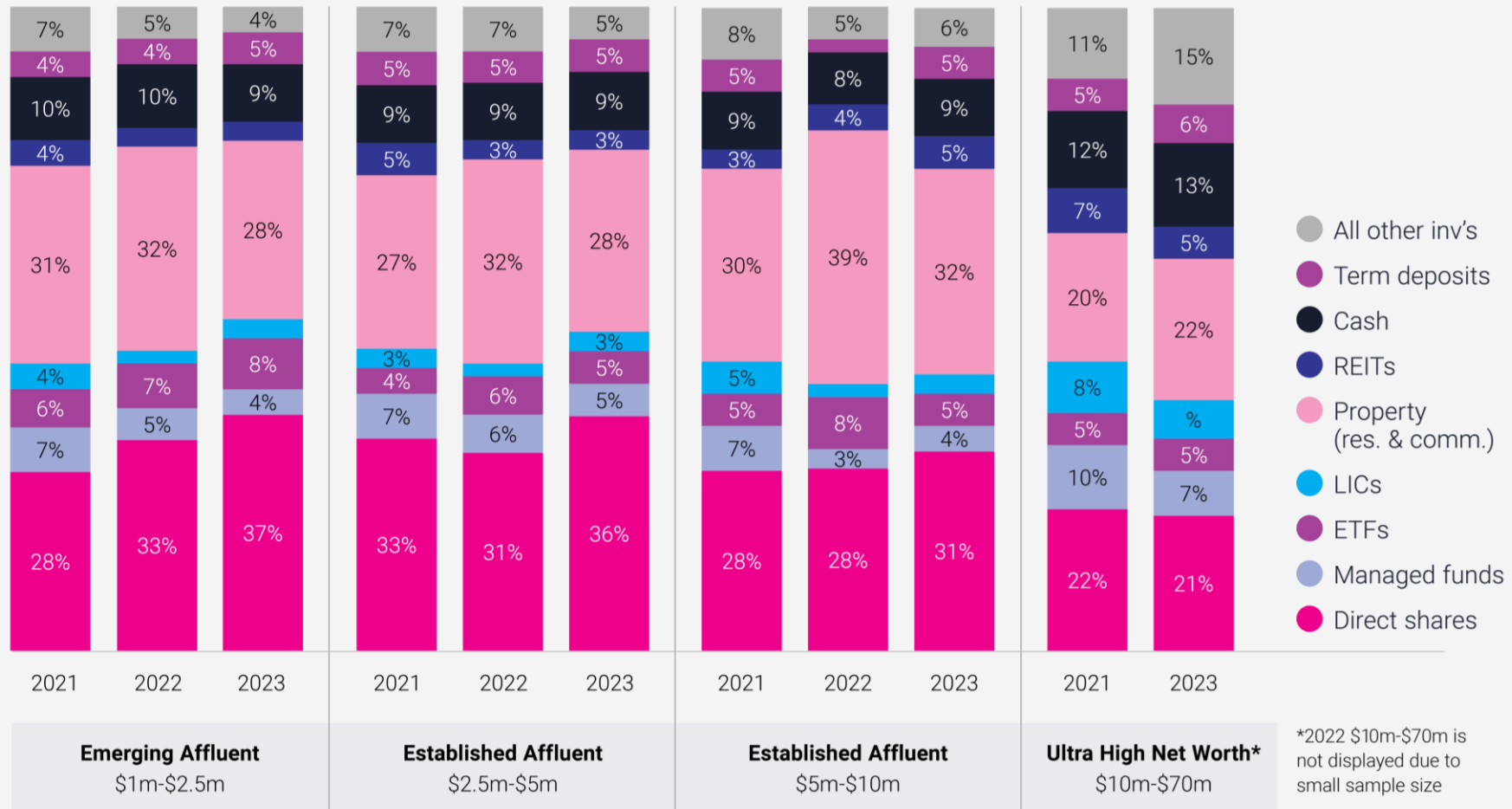
Perception of Aust Equities to deliver income remains strong despite interest rate increases

In the current environment which asset class is best for generating high yield?

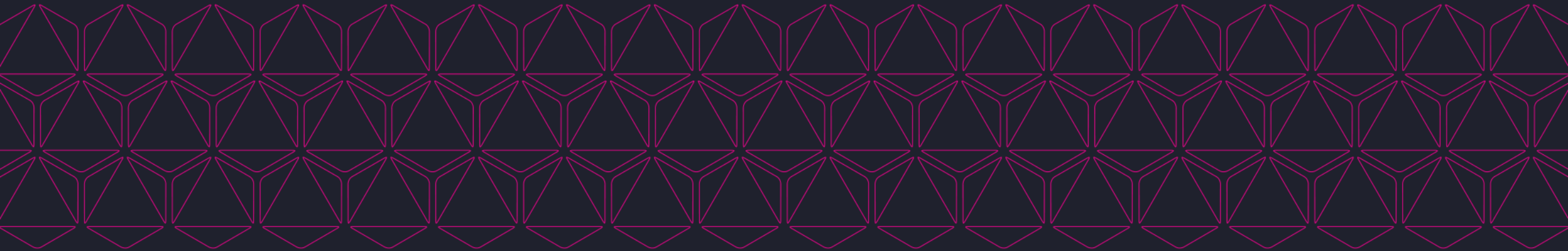


Asset Allocation across the HNW investor segments

Investment allocation – by wealth

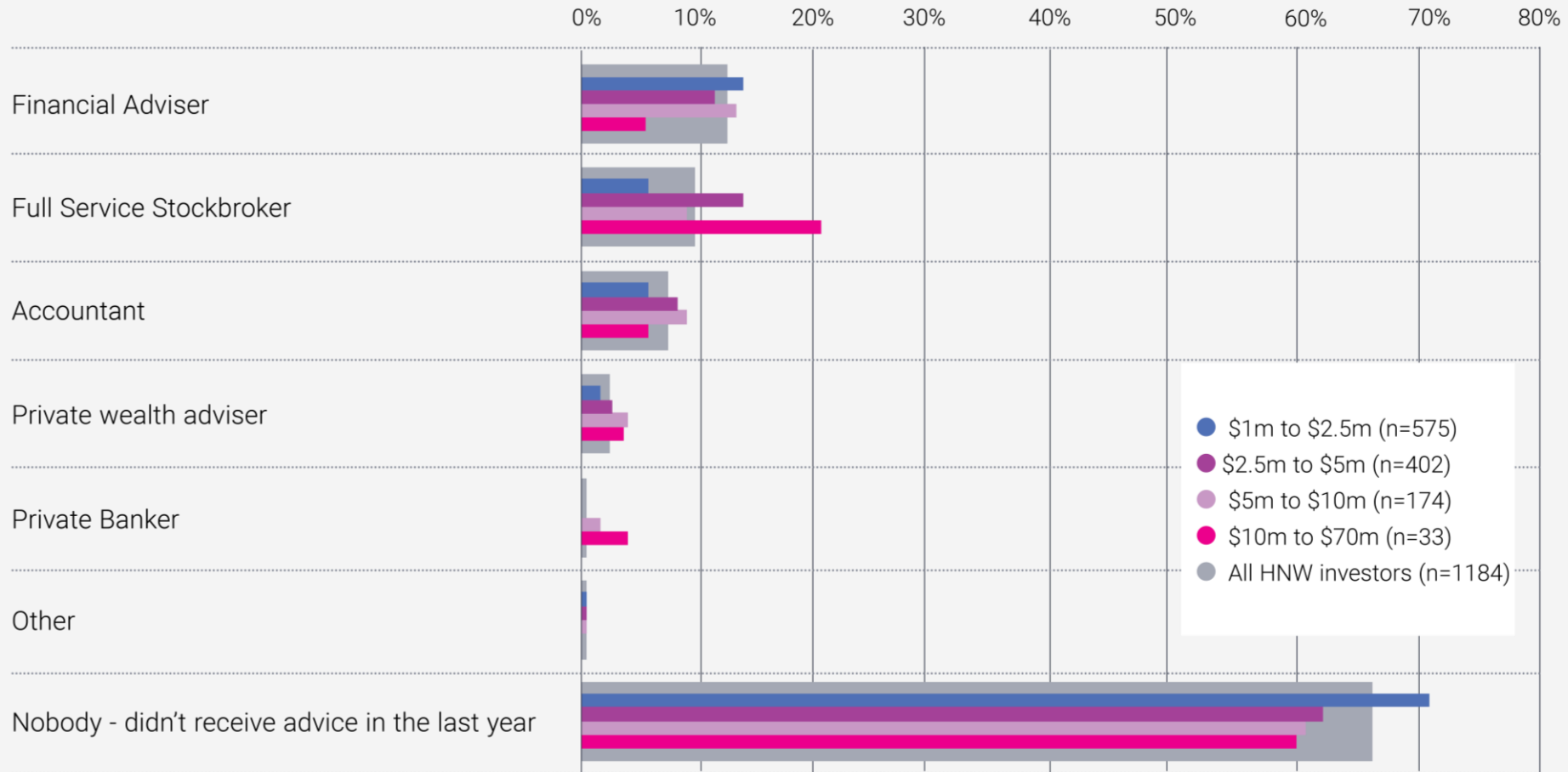


Advice needs



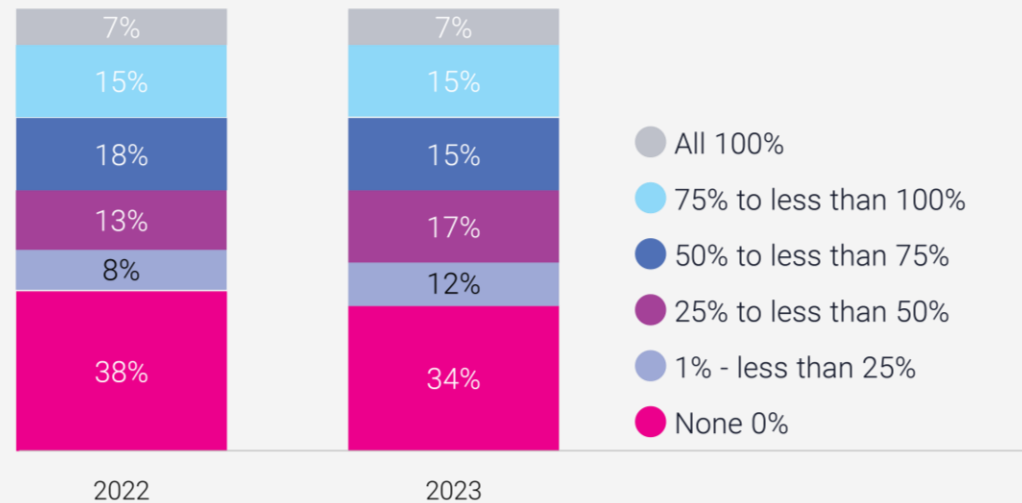
Main investment adviser

Who has been your main source of investment advice over the last 12 months?

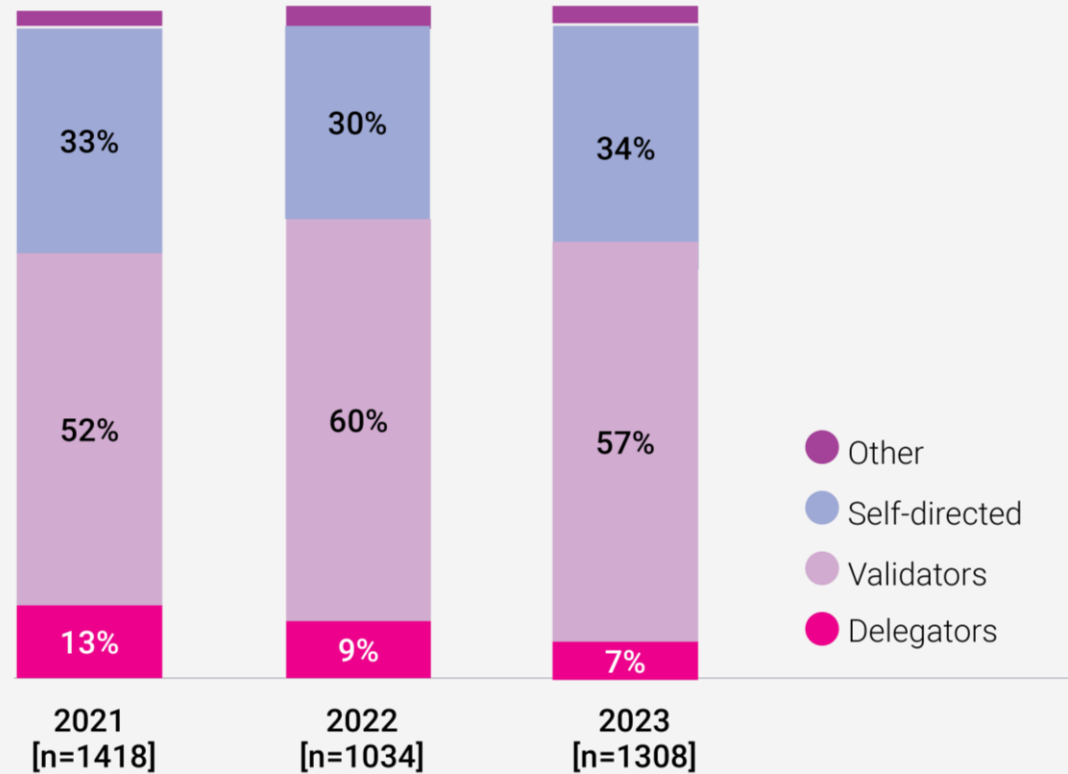


Primary adviser share of wallet

What proportion of your investment portfolio does this adviser manage on your behalf?

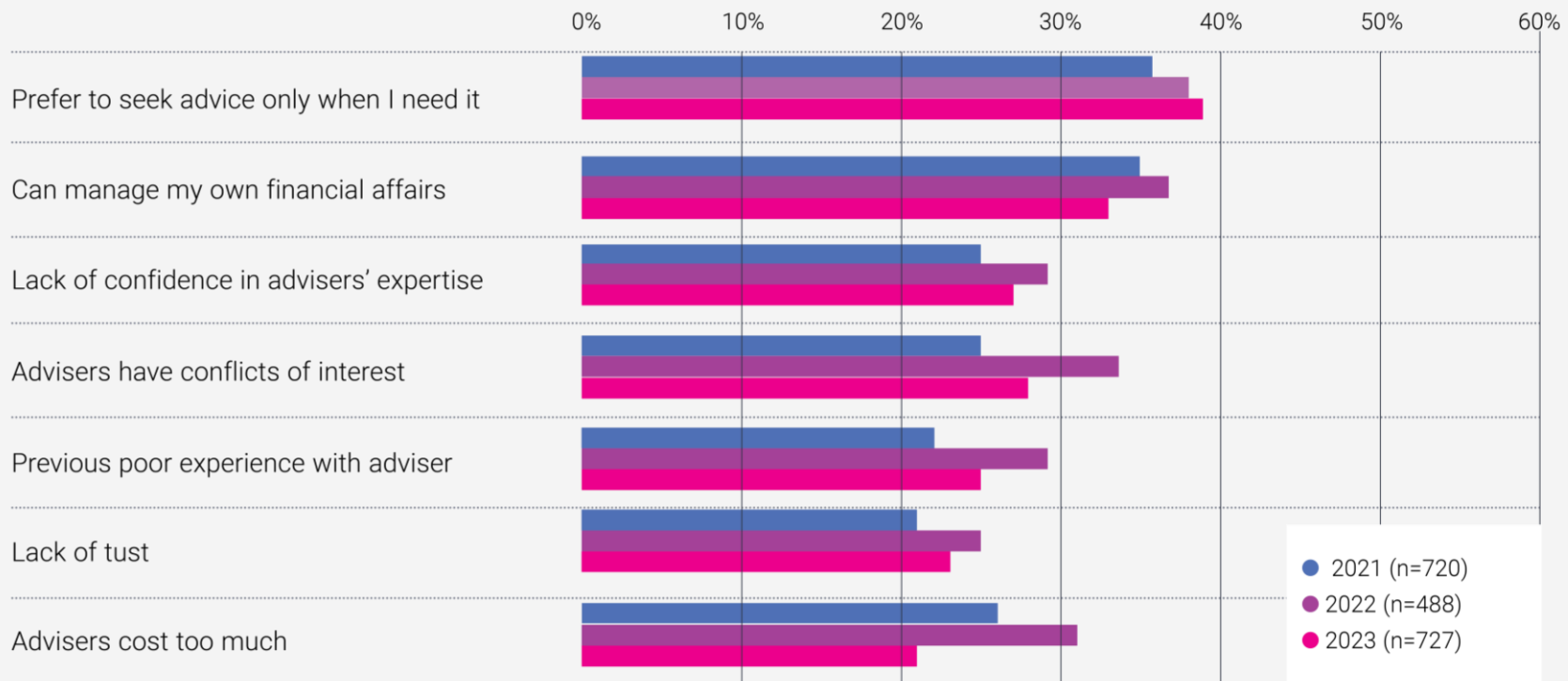


Attitudes to advisers



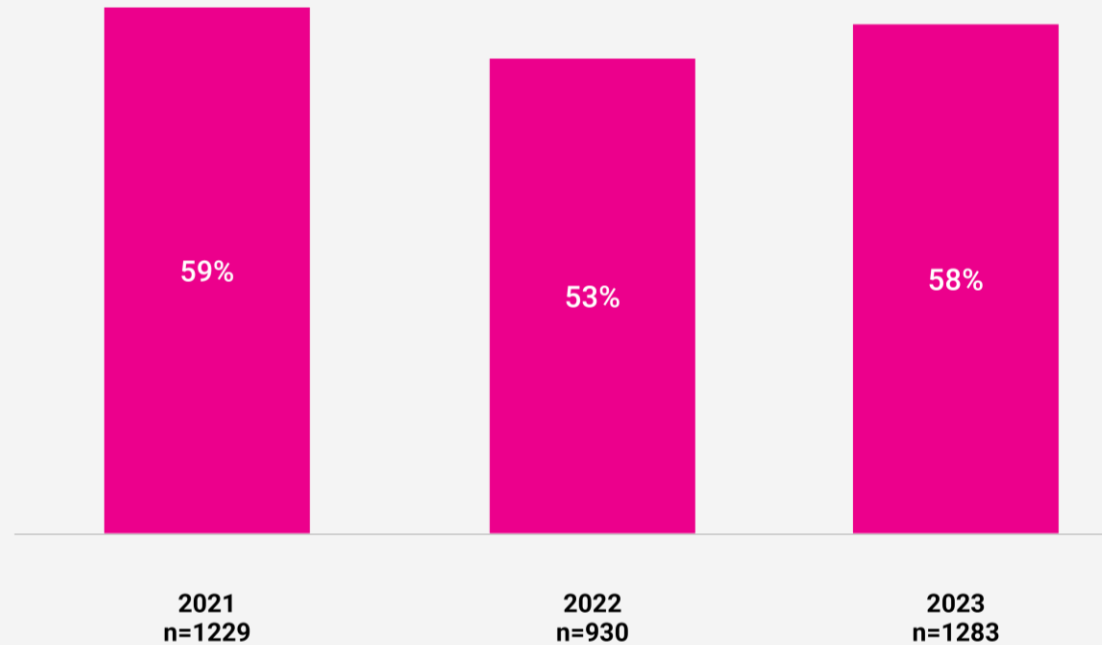
Reasons for not seeking advice

What holds you back from seeking advice?



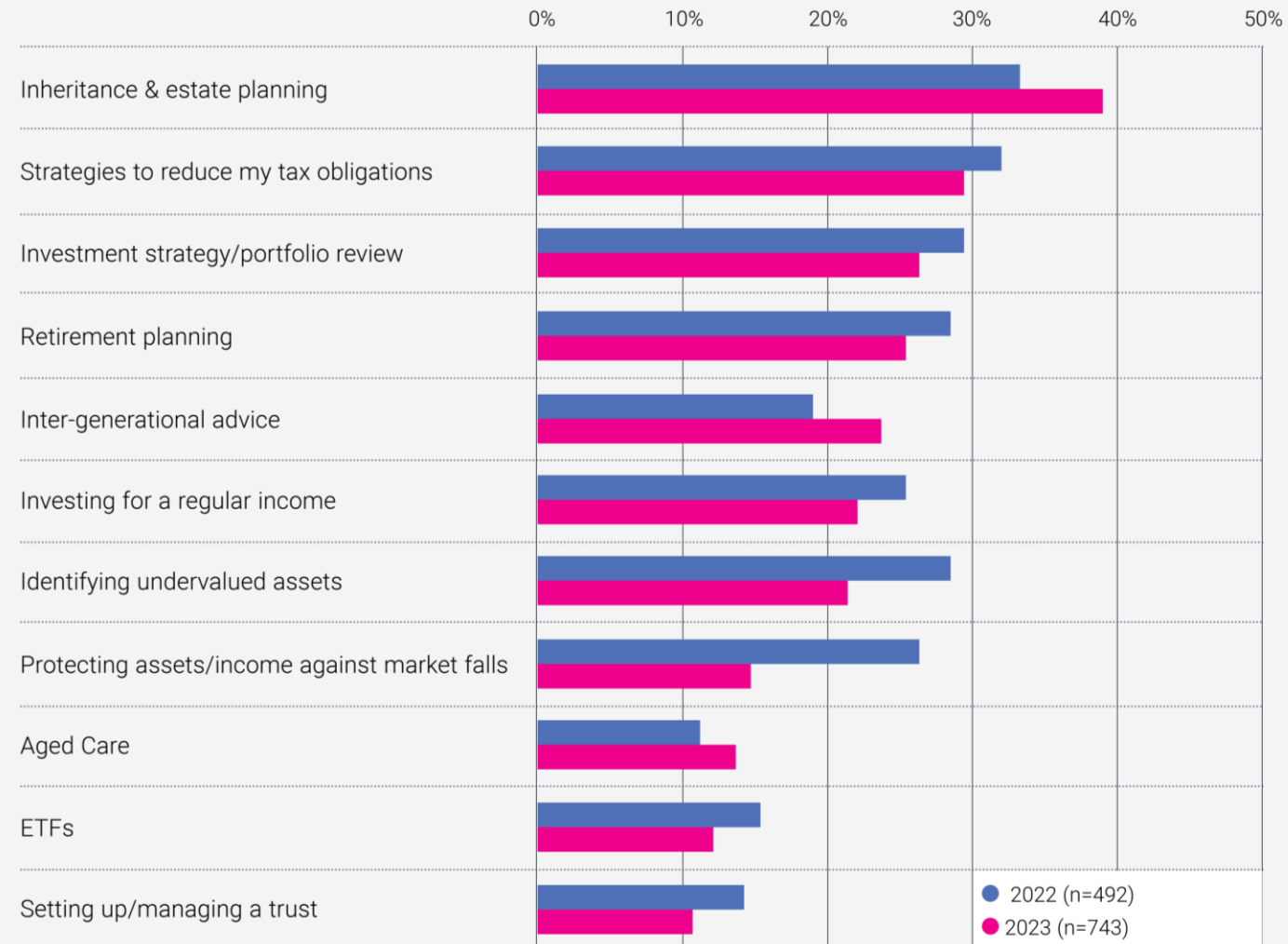
More than half of HNWs cite unmet advice needs

% of HNWs with unmet advice needs



Unmet advice needs

Are there any areas where you would like to be receiving advice but currently aren't?



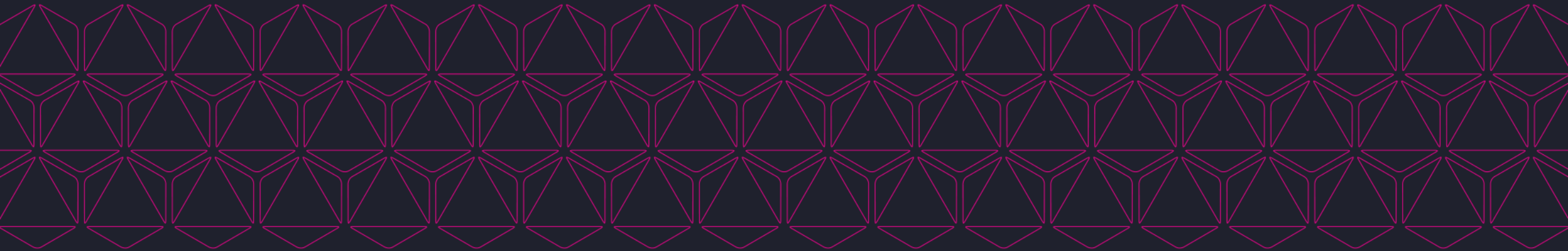
Polling question 1:

What is the top advice need amongst HNW Investors?

- a) Retirement planning**
- b) Estate and inheritance planning**
- c) Investment Strategy**

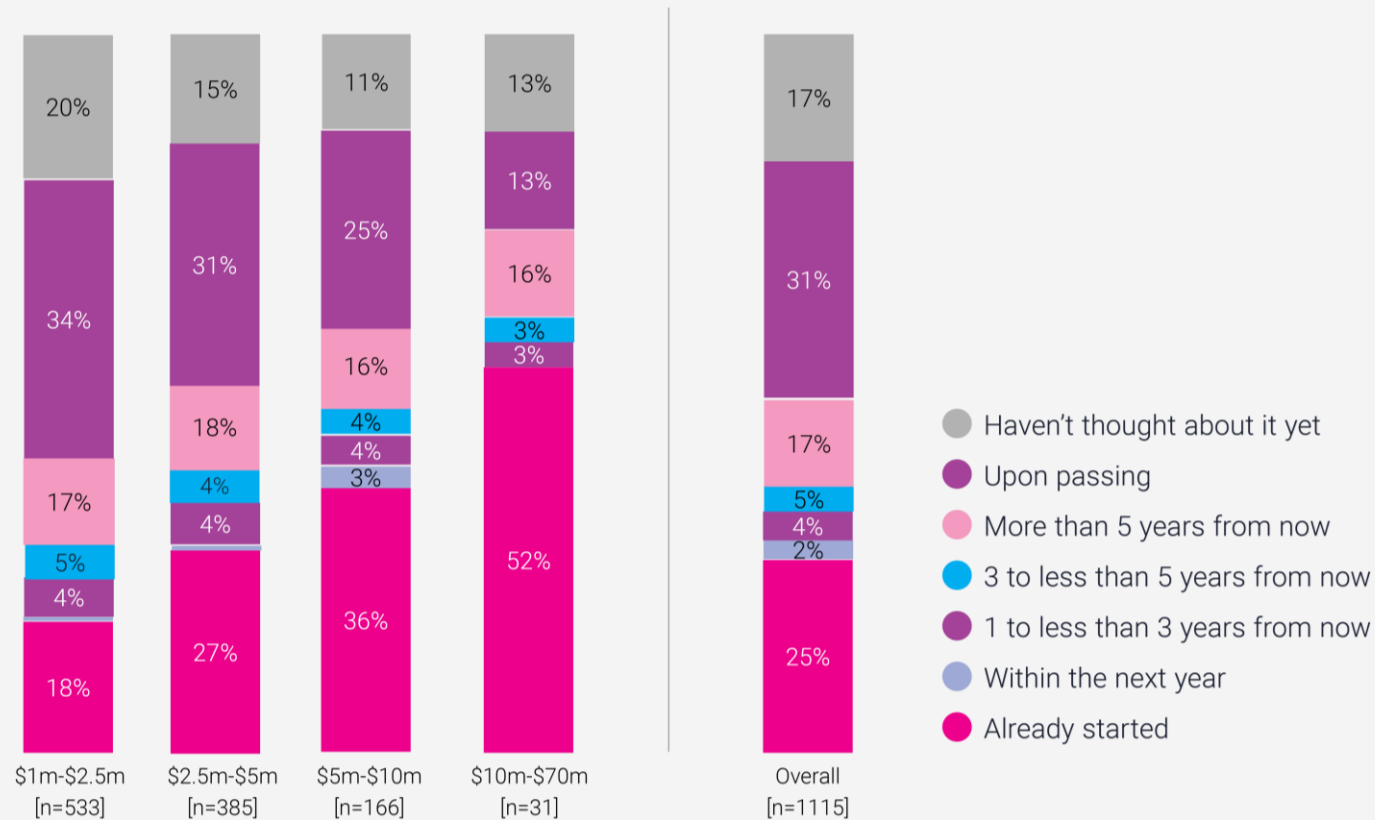
Answer: B

Intergenerational Wealth Transfer



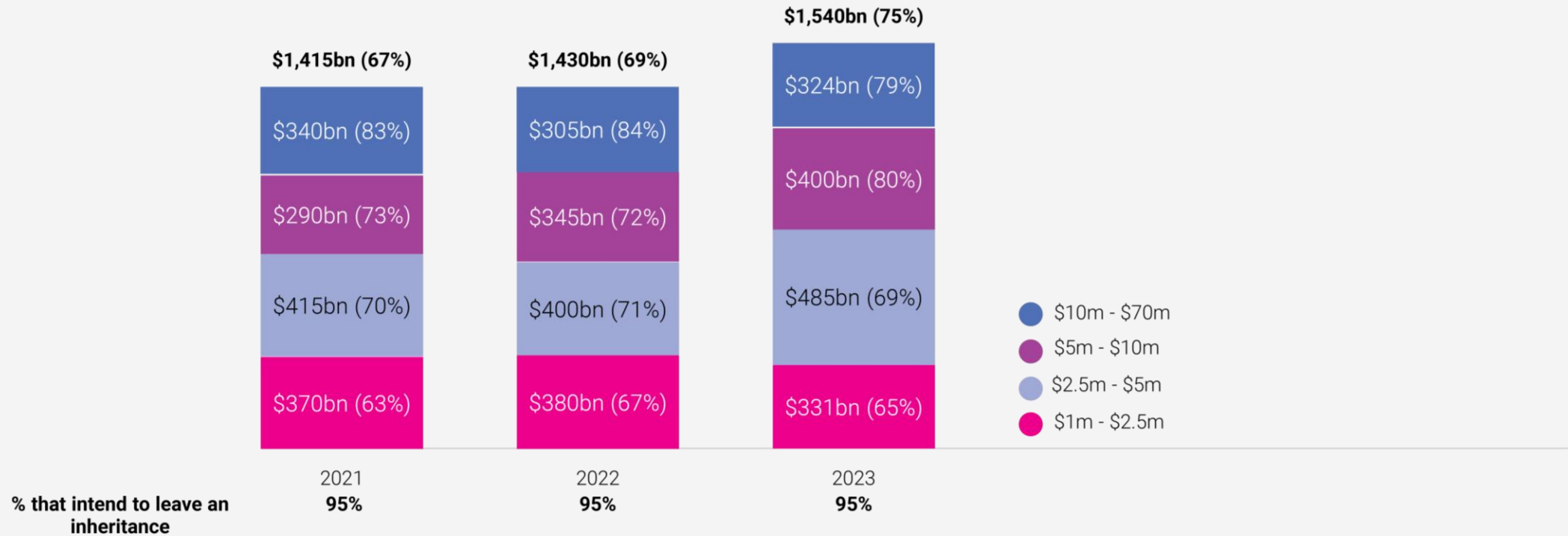
A quarter of HNWs have already started the wealth transfer process

When do you intend to start the wealth transfer process?



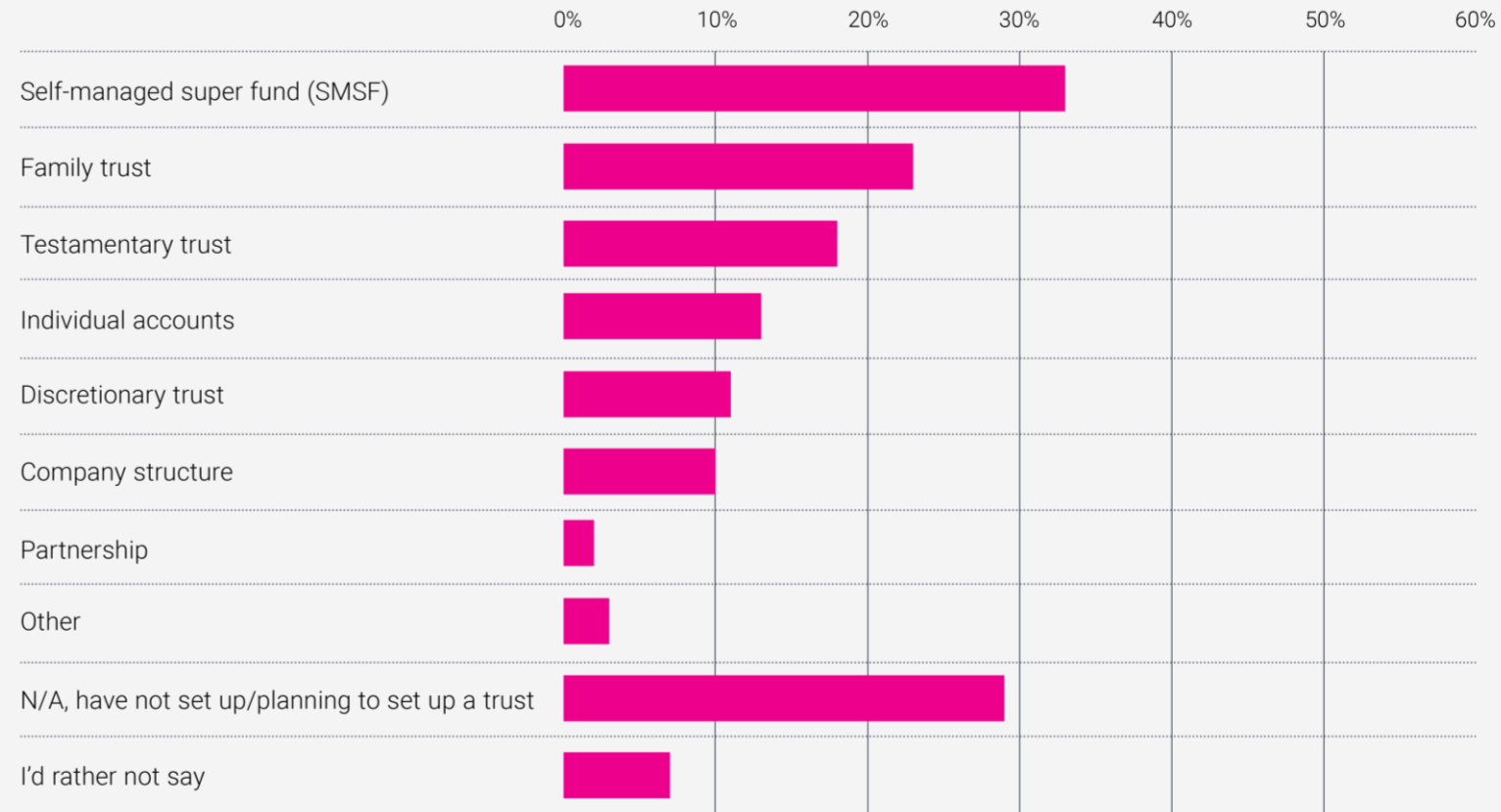
Intended wealth transfer amongst HNWs

Total inter-generational wealth transfer expected to take place in Australia



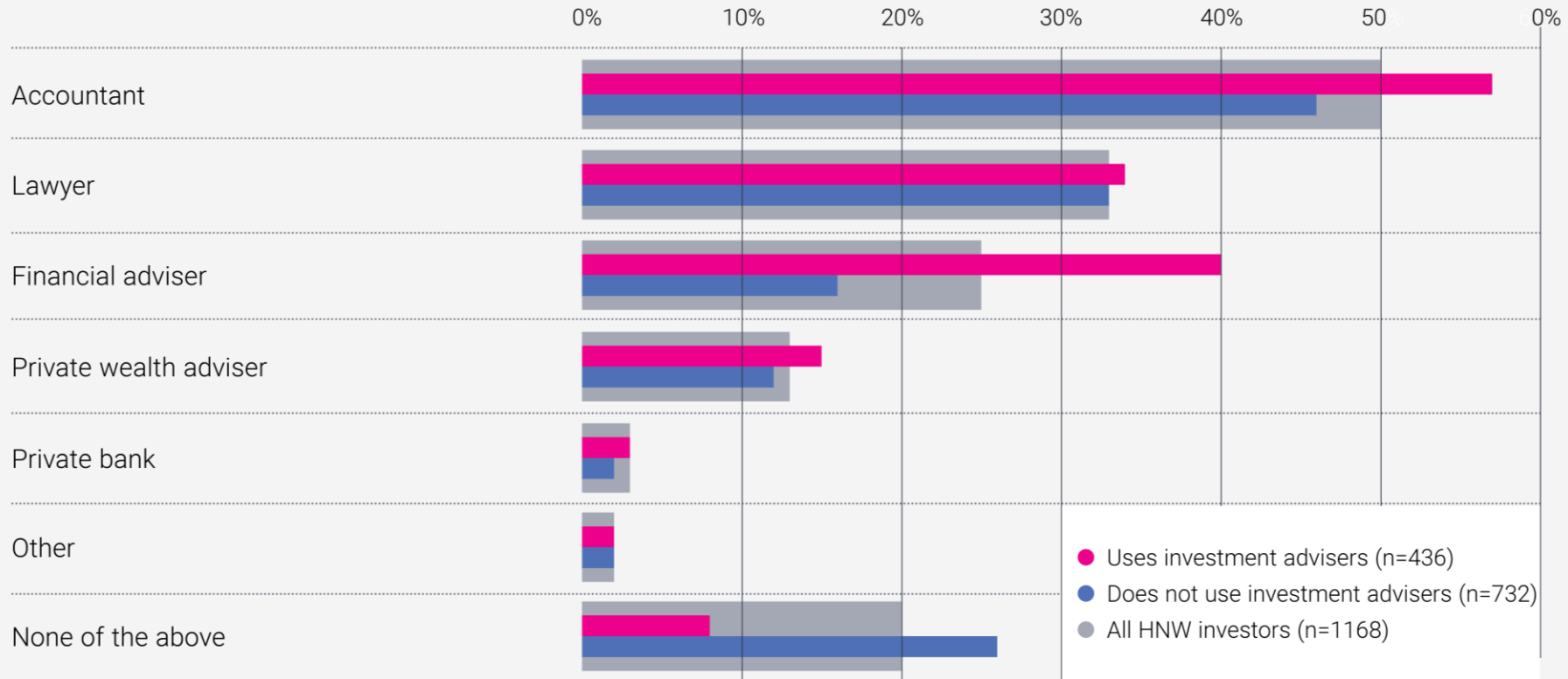
SMSFs the primary vehicle for transferring wealth

Account structures set up/intended to set up for transferring wealth



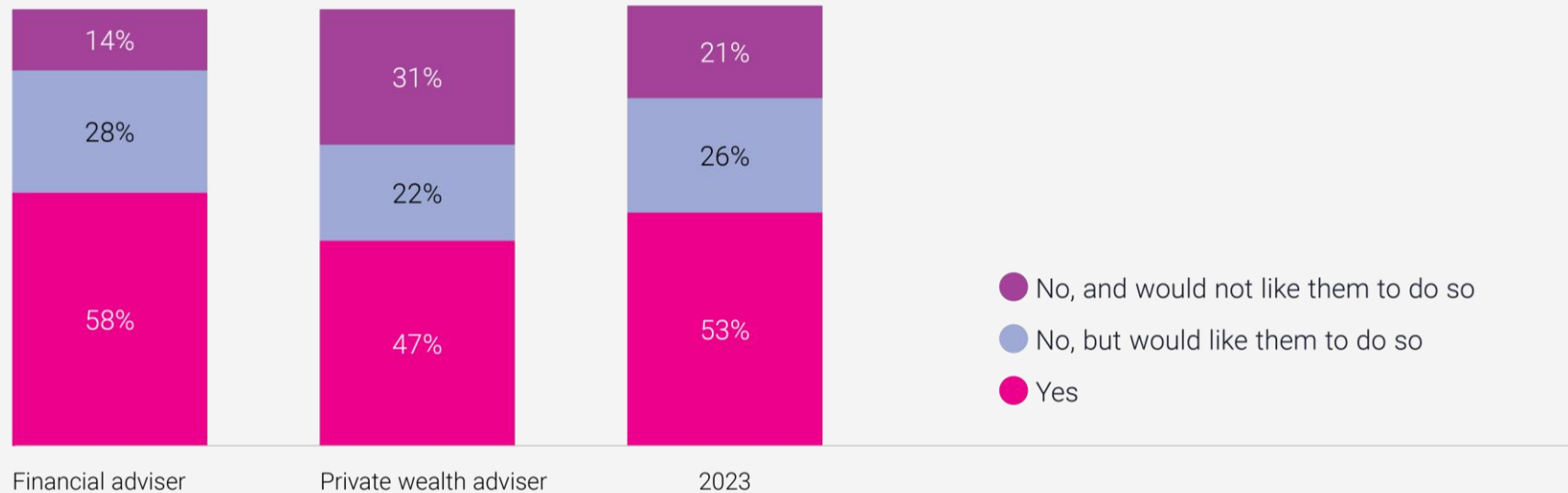
Advice preferences for intergenerational planning

Which adviser(s) would you prefer to turn to for inter-generational planning advice?



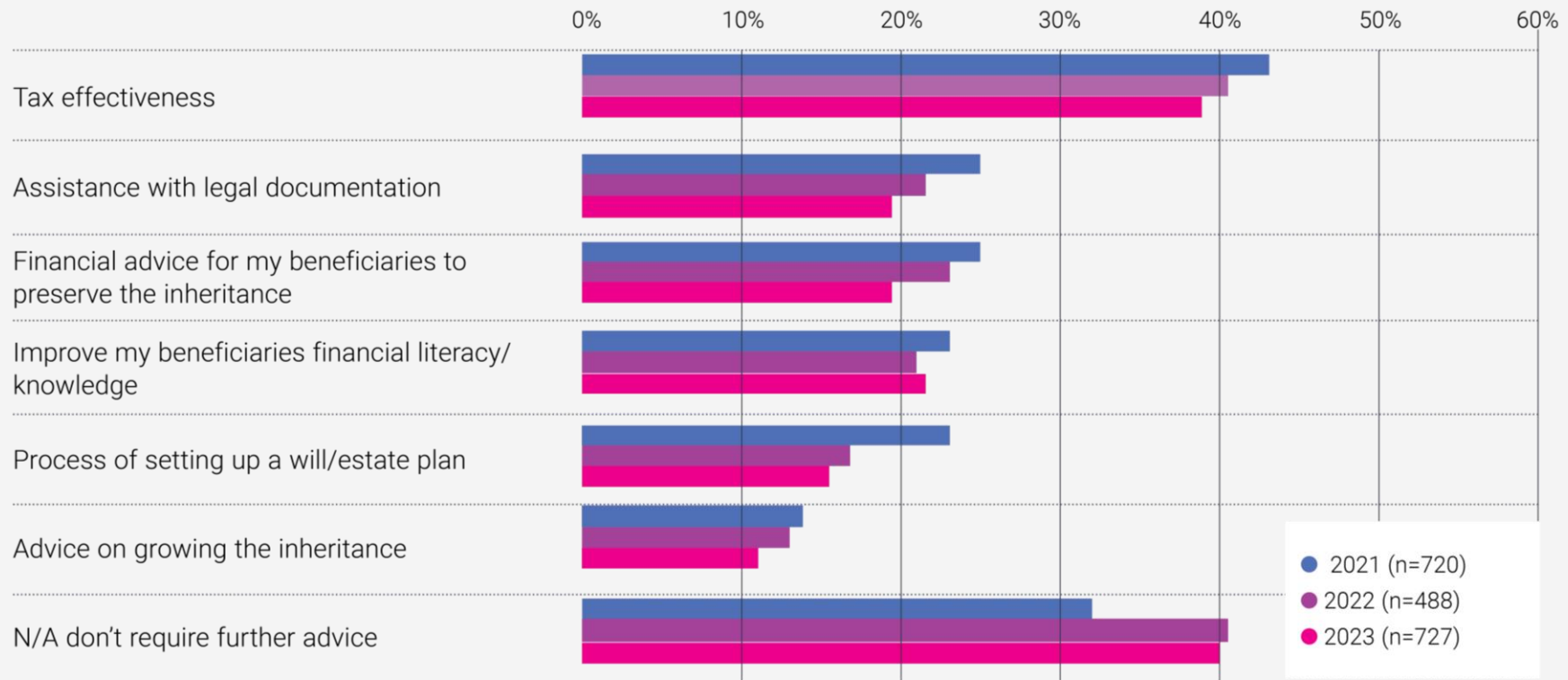
Financial adviser leading the way on holistic advice for wealth transfer

Does your financial adviser discuss inter-generational planning as part of their advice process?

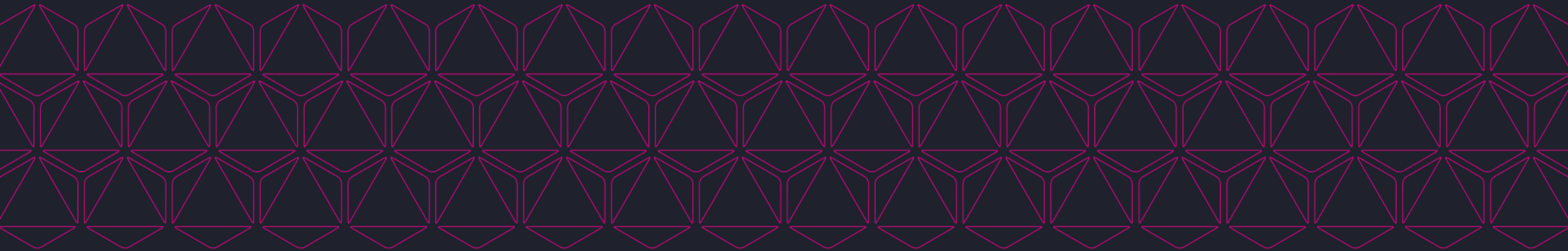


Supporting needs for wealth transfer

What assistance would you like to assist the process of transferring wealth to your beneficiaries?

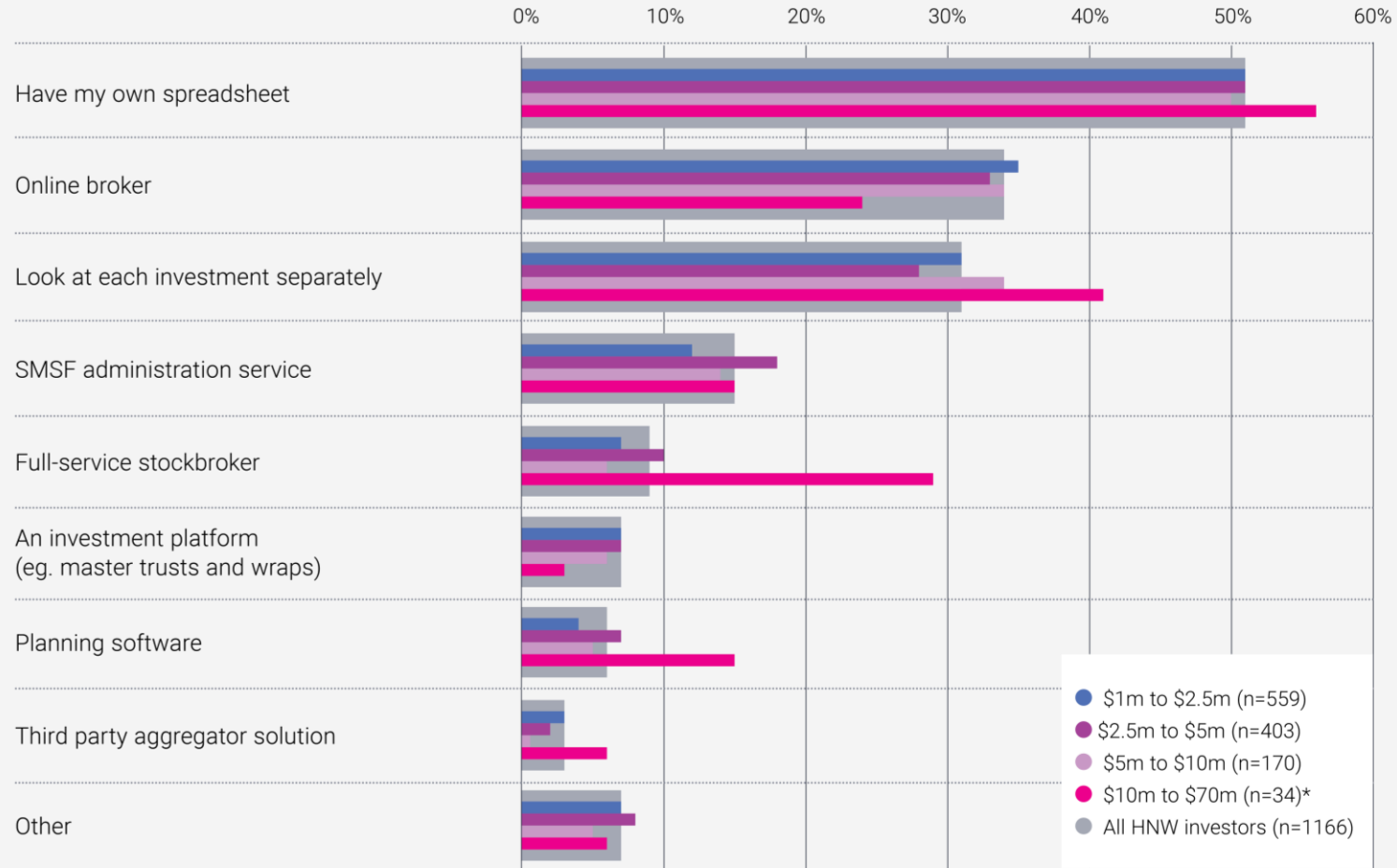


Digital engagement



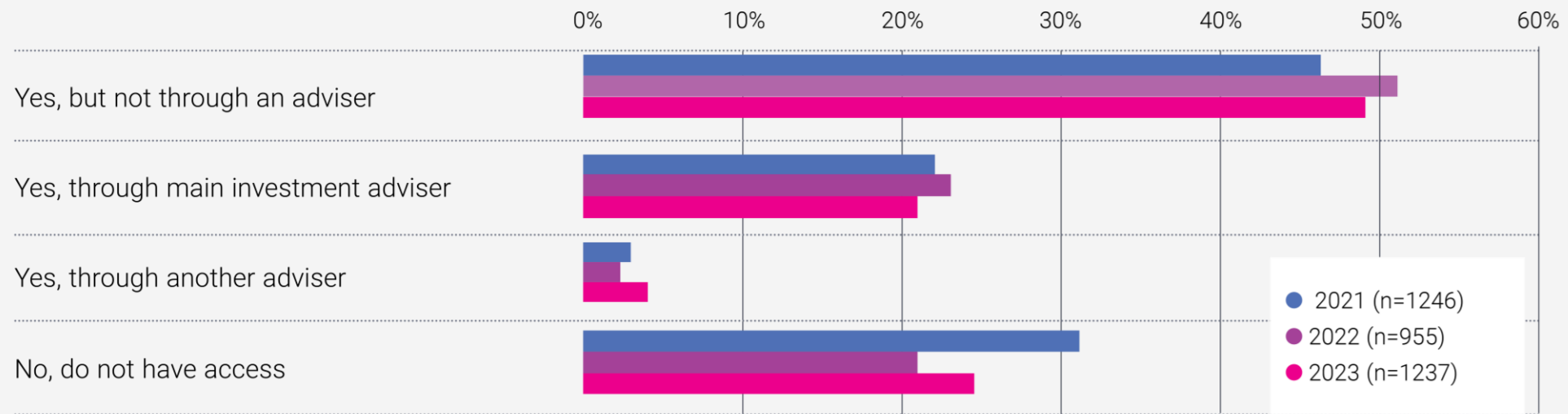
△ Total view of wealth remains elusive for HNWs

How do you currently get a complete picture of the total value and performance of your portfolio?



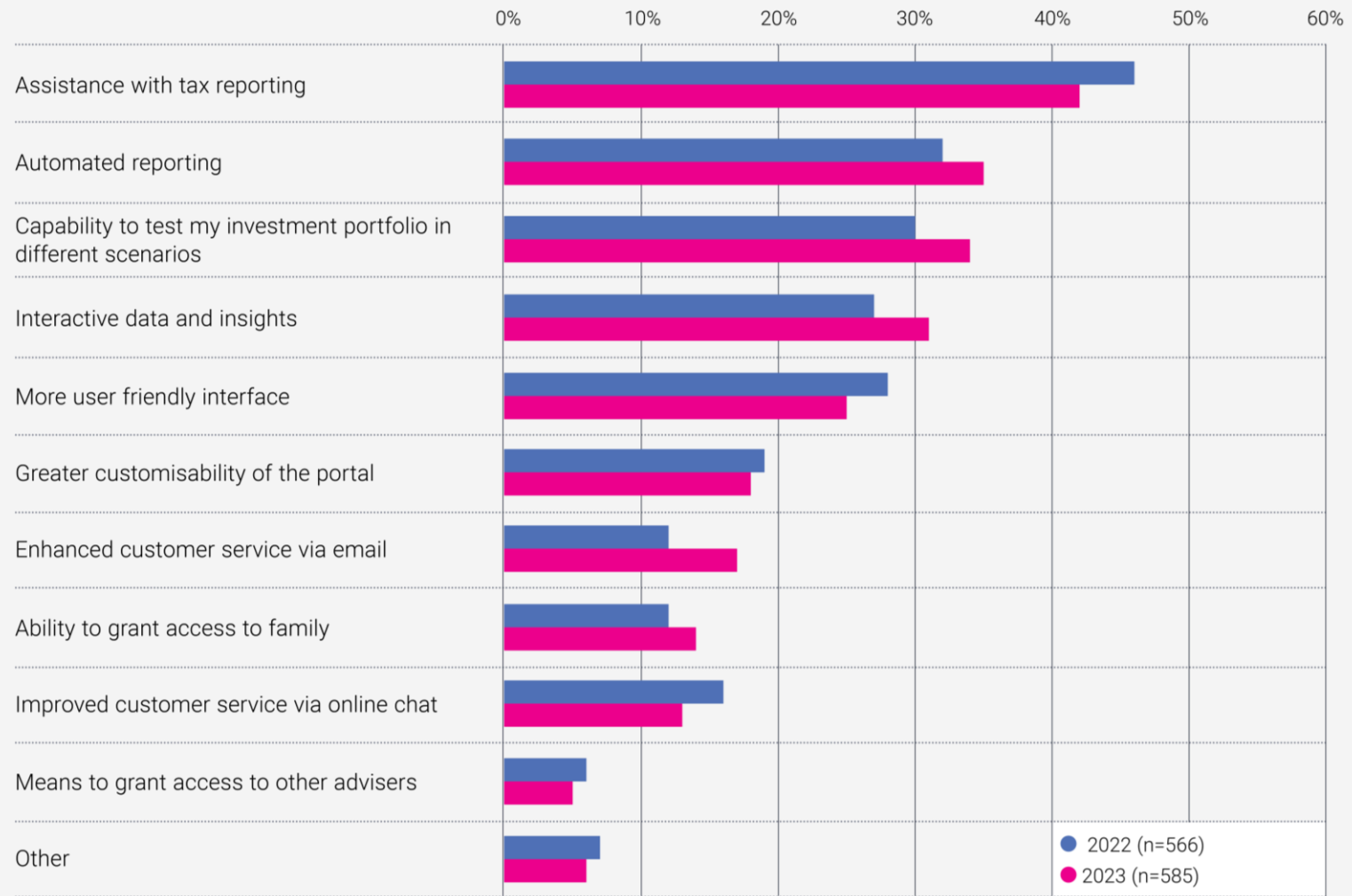
Digital experience

Do you currently receive access to an online portal for your investments?



Desired improvements for a digital experience

What other improvements would you like to see in your digital experience?



Polling question No.2

What percentage of HNW Investors are using a spreadsheet to create a total view of wealth?

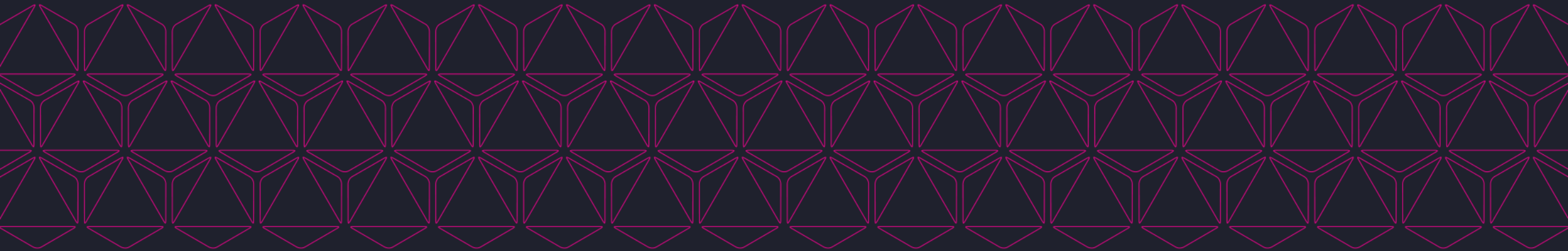
a) 20%

b) 40%

c) 50%

d) Answer: C

Strategies for success



Creating a service for HNWs



Balance control & collaborative advice

- » Go beyond investment solutions and focus on holistic advice that is aligned with their advice needs
- » Acknowledge they see themselves as capable and educated investors and provide the education and insight on investment opportunities they are seeking
- » Involve them in the investment process
- » Consider investment administration as well as investment management services

Creating a service for HNWs



Build Networks

- » Work collaboratively with estate planners, accountants and lawyers to create a team of experts
- » Gain a greater understanding of a client's total wealth position and how you can add value even if multiple advisers are used
- » Create opportunities for ongoing referral from external partners
- » Build deeper trust and stronger relationships with clients

Creating a service for HNWs



Prioritise personalisation

- » Deliver the personalised experience these clients are seeking with tailored investment strategies, benchmarks and asset allocation
- » Bespoke and customised reporting tailored to information requirements
- » Engage on new investment opportunities that they may be interested in for high quality personalisation

Creating a service for HNWs



Engaging families and empowering beneficiaries

- » Start the conversation on wealth transfer now if you haven't already
- » Prioritise involving the whole family and engaging with the beneficiaries
- » Benefactors are keen for their heirs to be educated in preserving their inheritance
- » Education and ongoing communication with beneficiaries will increase retention of the next generation of clients
- » Ensure your proposition remains engaging and relevant for younger generations

Creating a service for HNWs

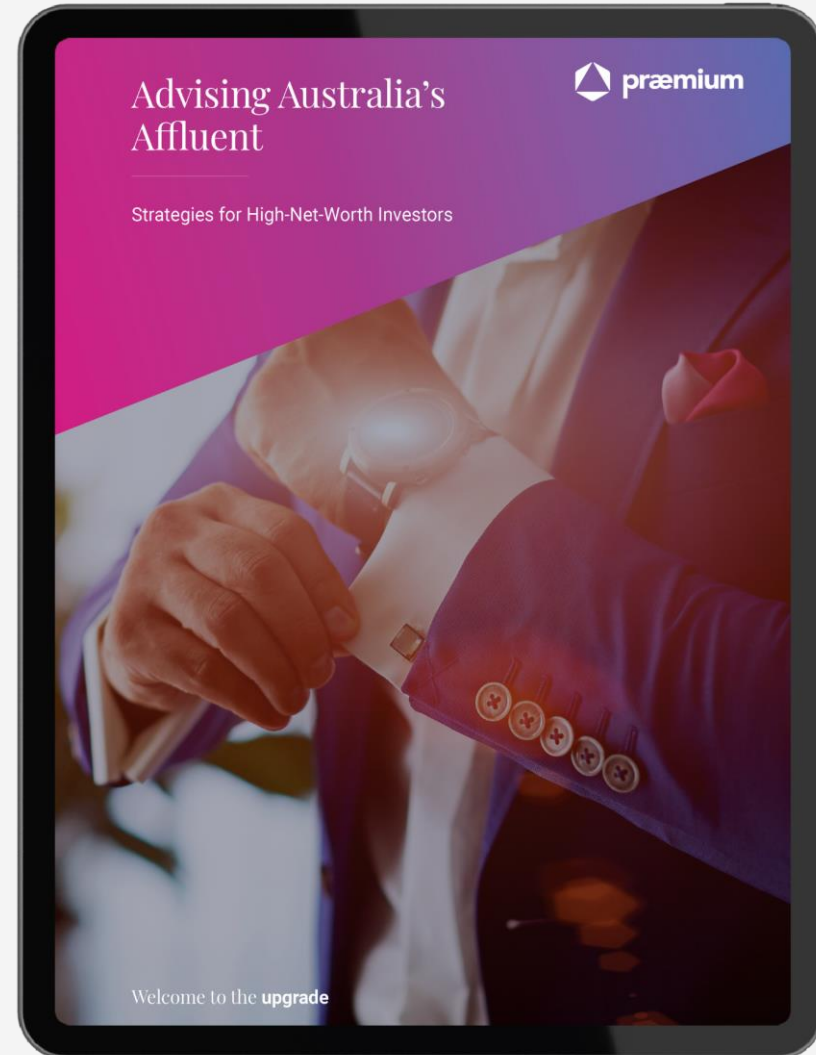


Delivering a digital experience

- » Leverage technology to provide a total wealth view
- » Engage younger generations with interactive portals and total family view that aligns your digital advice service with their service expectations

Advising Australia's Affluent

- » Visit our stand to access a copy of our eBook covering much of the information from this presentation
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