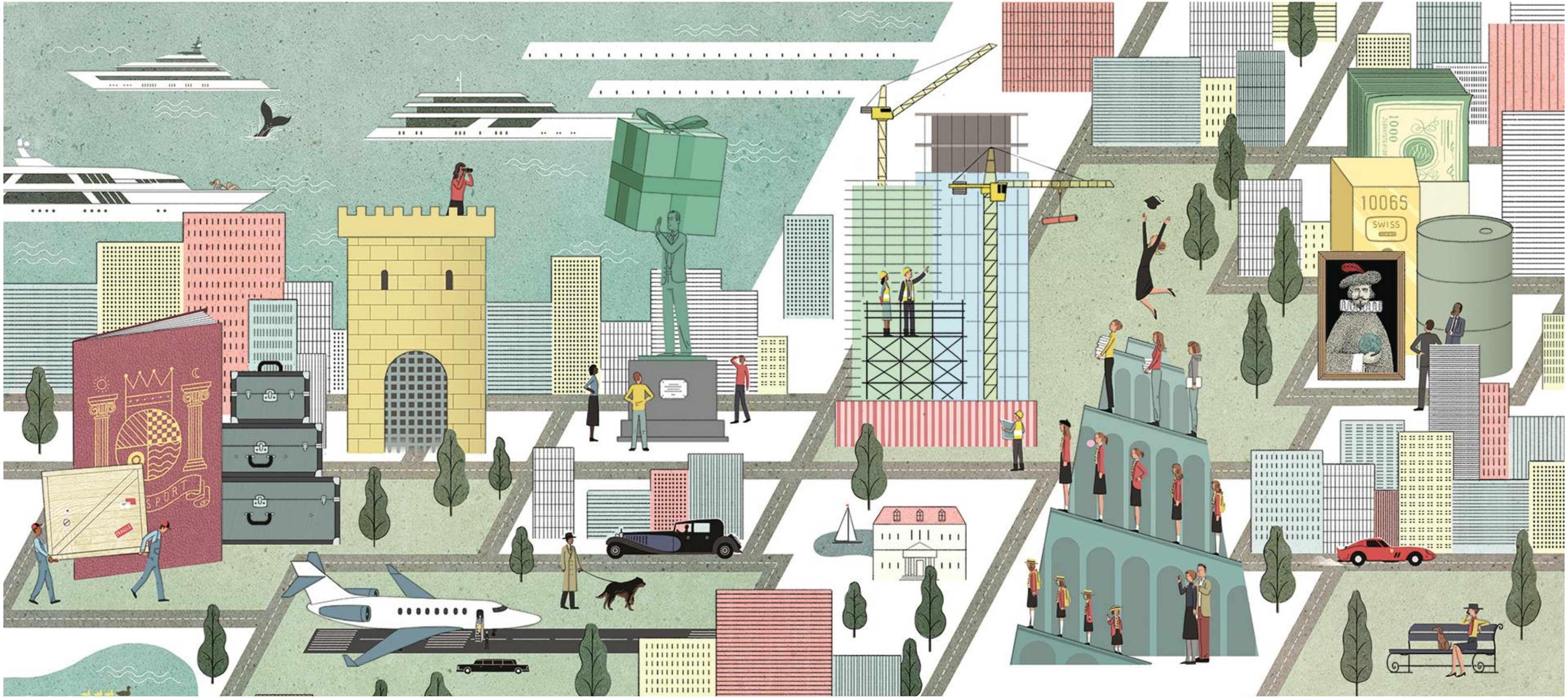
THE WEALTH REPORT

2015



THE WEALTH REPORT
2015

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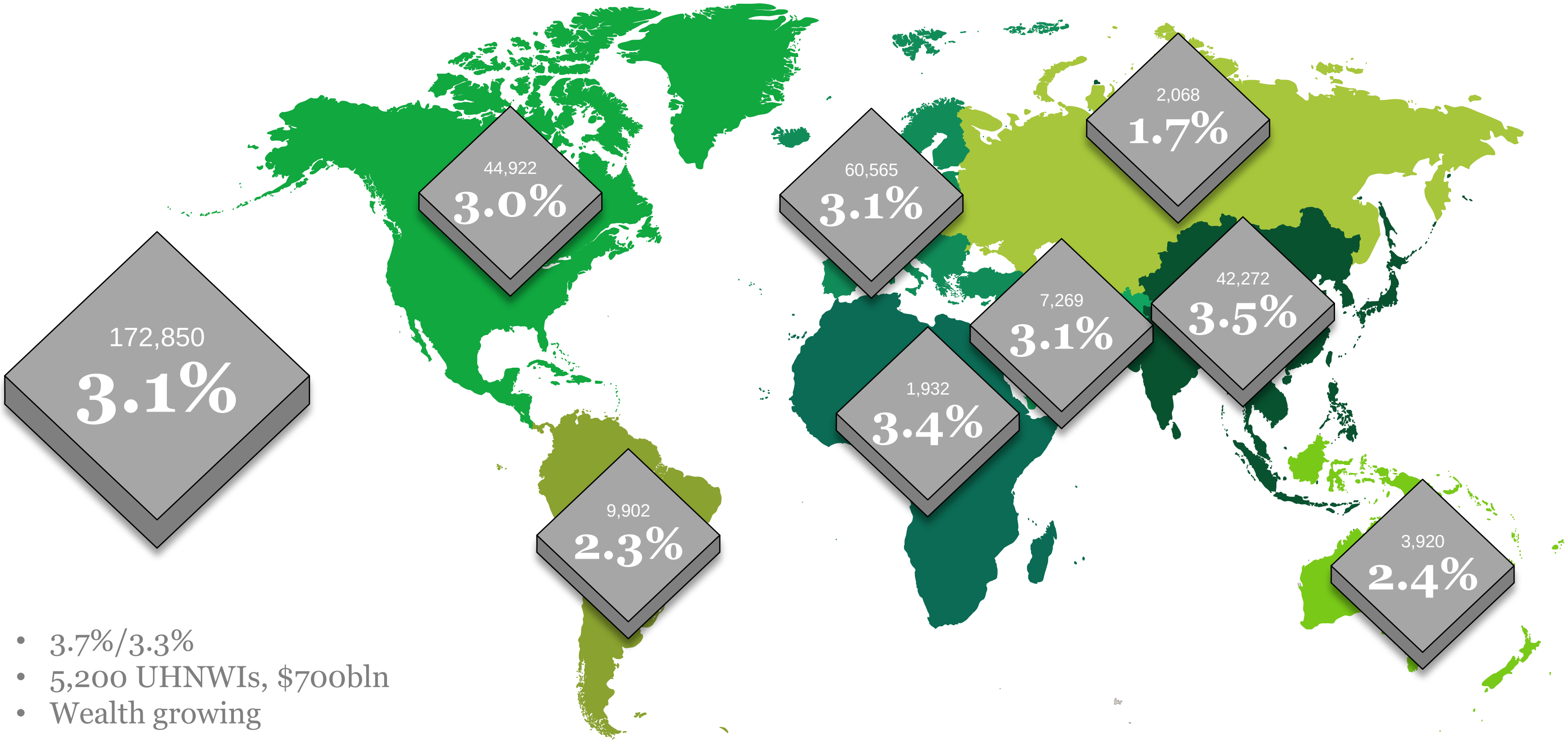
THE WEALTH REPORT
2015

- UHNWI Trends
- Wealth Dynamics and Property Markets
- Investments of Passion

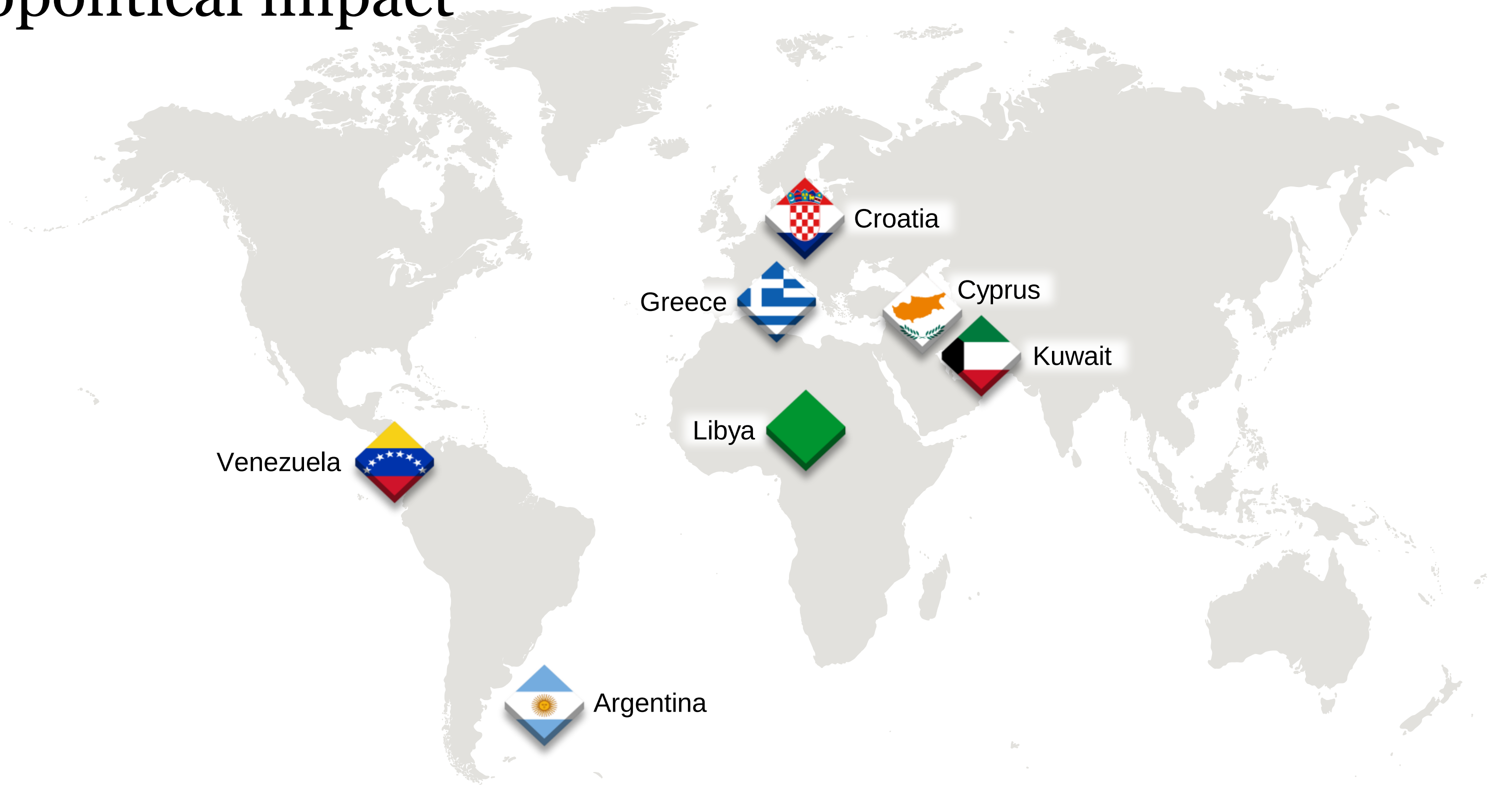
Wealth growth 2014



- 3.7%/3.3%
- 5,200 UHNWIs, $700bln
- Wealth growing

Source: WealthInsight

Economic and Geopolitical impact



Source: WealthInsight

Malaysia – Wealth Trends

	2004	2014	2024
Malaysia	242	572	814
Asia	22,335	42,272	62,399
Global	107,515	172,850	230,773

2014-2024

42%

48%

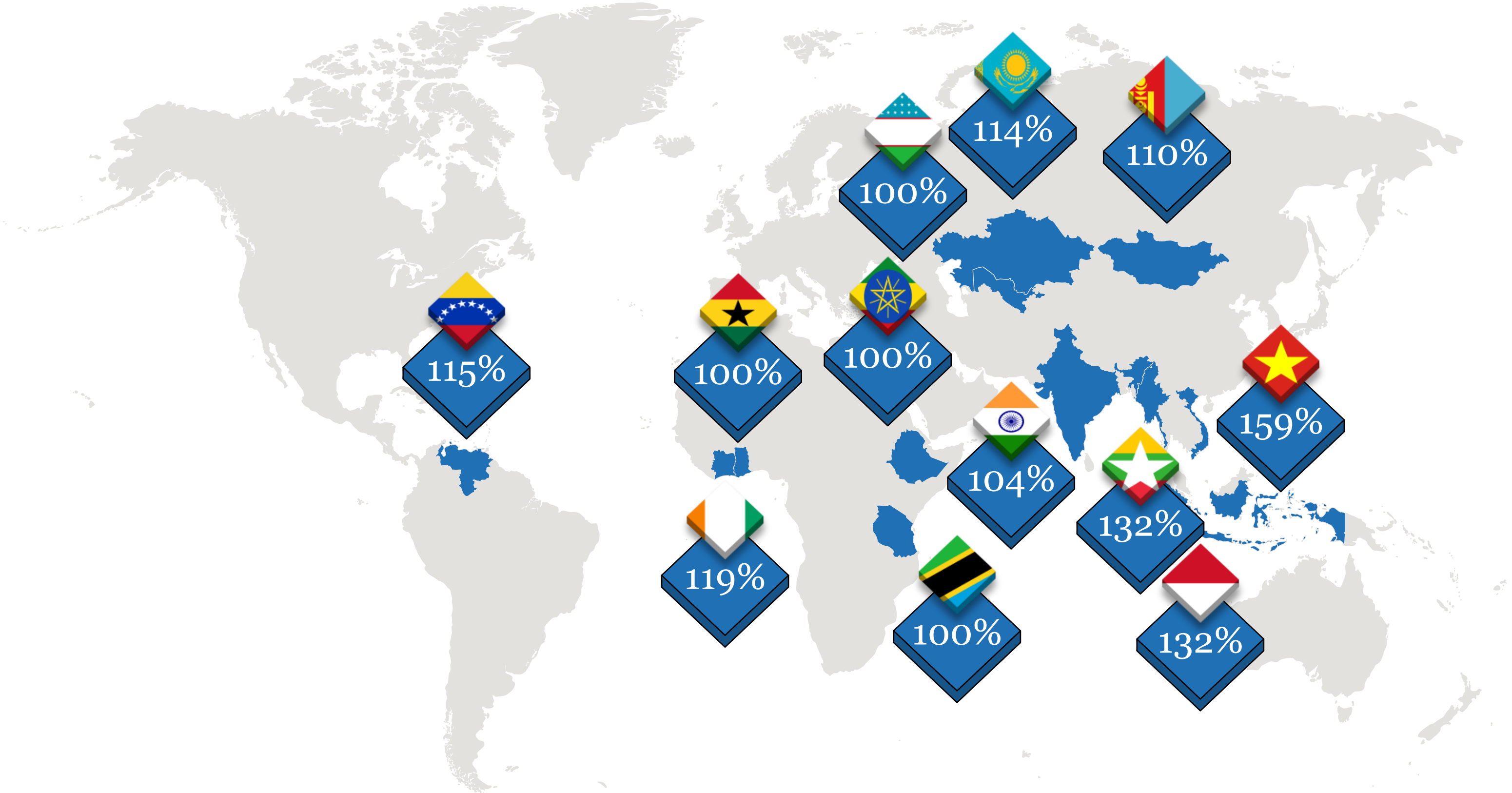
34%

Malaysia – Wealth Trends

How do you feel your clients wealth will change in 2015?

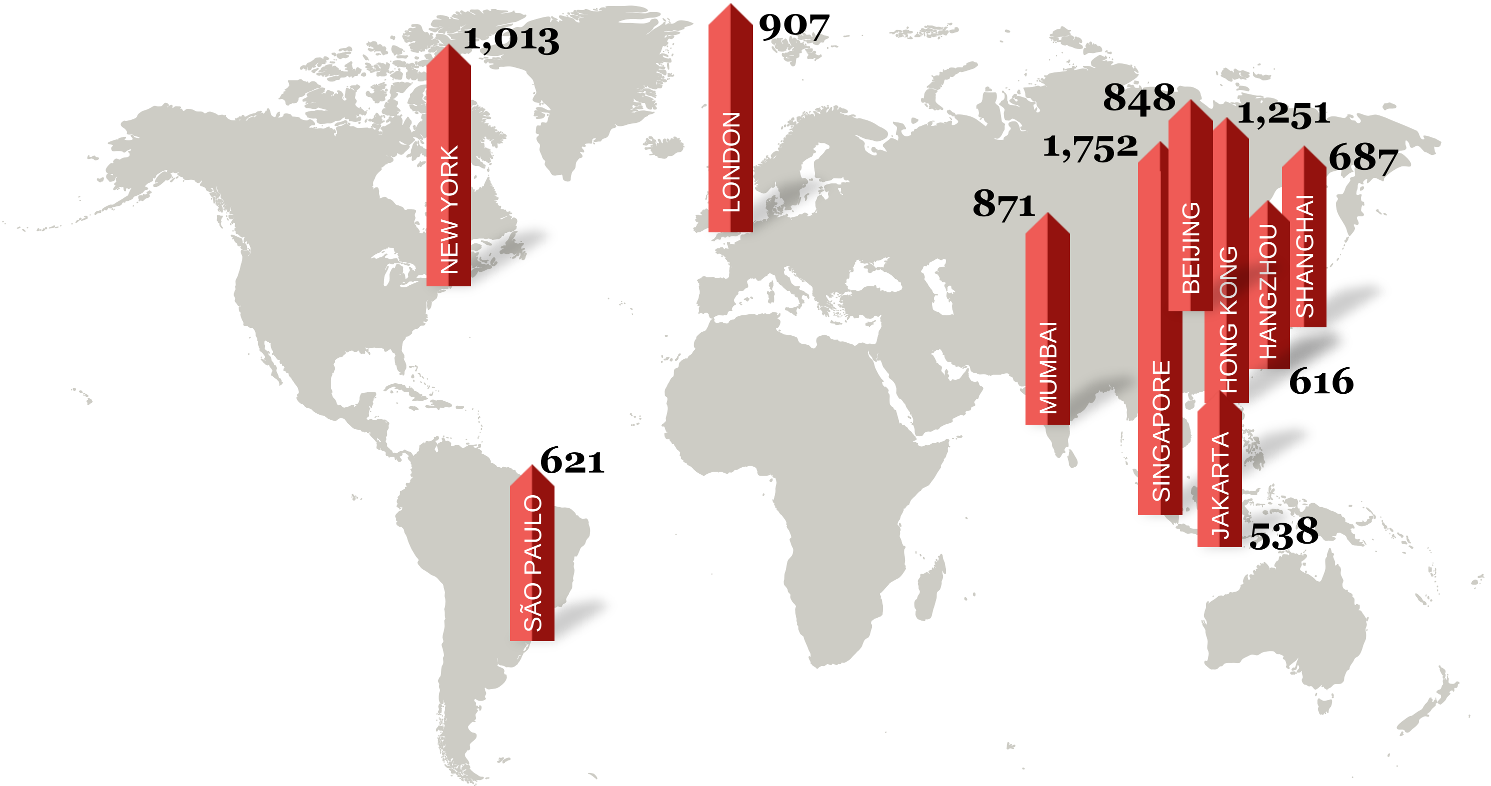
	Malaysia	Asia	Global
Decrease	6%	5%	3%
Increase	74%	75%	80%
Remain the same	21%	20%	17%

Future growth in ultra-wealthy



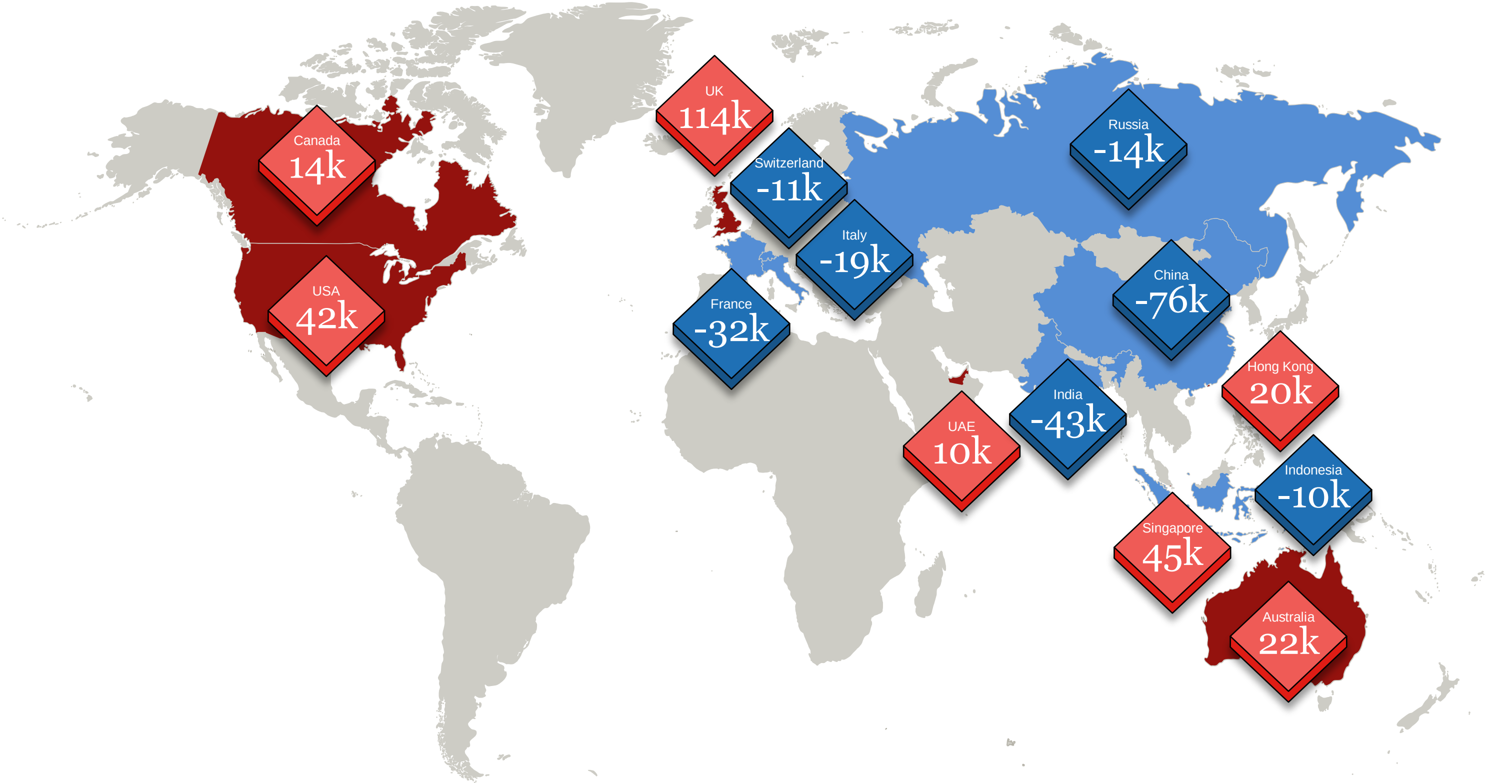
Growth in city UHNWI populations

Top ten cities for growth in the number of UHNWI residents (2014-2024)



1) Immigration of the Wealthy

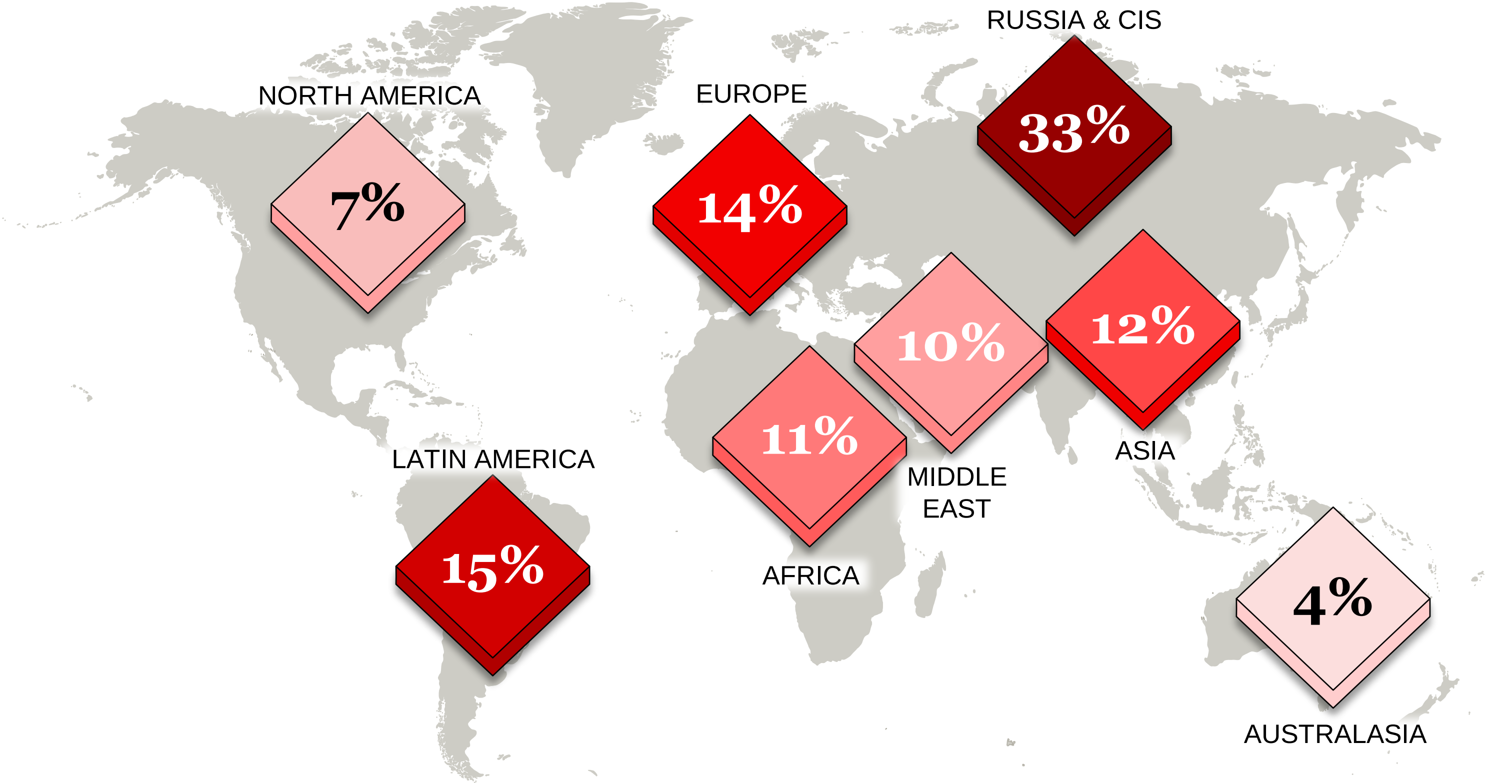
Largest outflow/inflow of HNWIs, last 10 years



Fragomen (using data from the New World Wealth Survey)

1) Immigration of the Wealthy

UHNWIs planning change to domicile or residence, 2015



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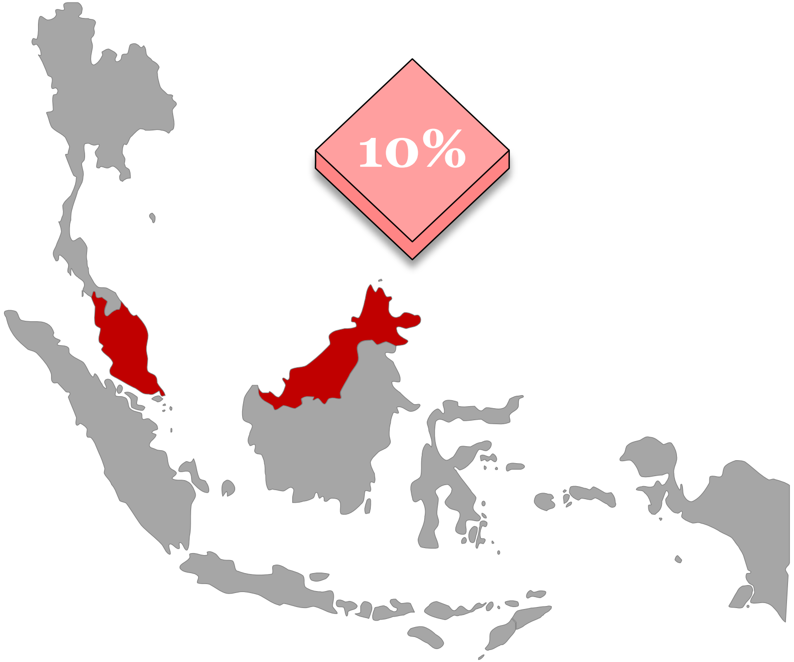
1) Immigration of Malaysian UHNWIs

Are the following factors reasons why your clients might want to move? (% = respondents who said yes)



	Malaysia	Global
Tax	53%	77%
Quality of life/health	83%	63%
Business Reasons	52%	54%
Education of children	88%	49%
Security	75%	47%
Political Issues	84%	40%
Lack of civil liberties	55%	16%

2) Education
Percentage of UHNWIs planning to send their children overseas for University

AUSTRALIA	INDONESIA	SINGAPORE	INDIA	CHINA	HONG KONG	MALAYSIA
13%	57%	60%	58%	67%	70%	72%

The Reaction to increased global wealth flows

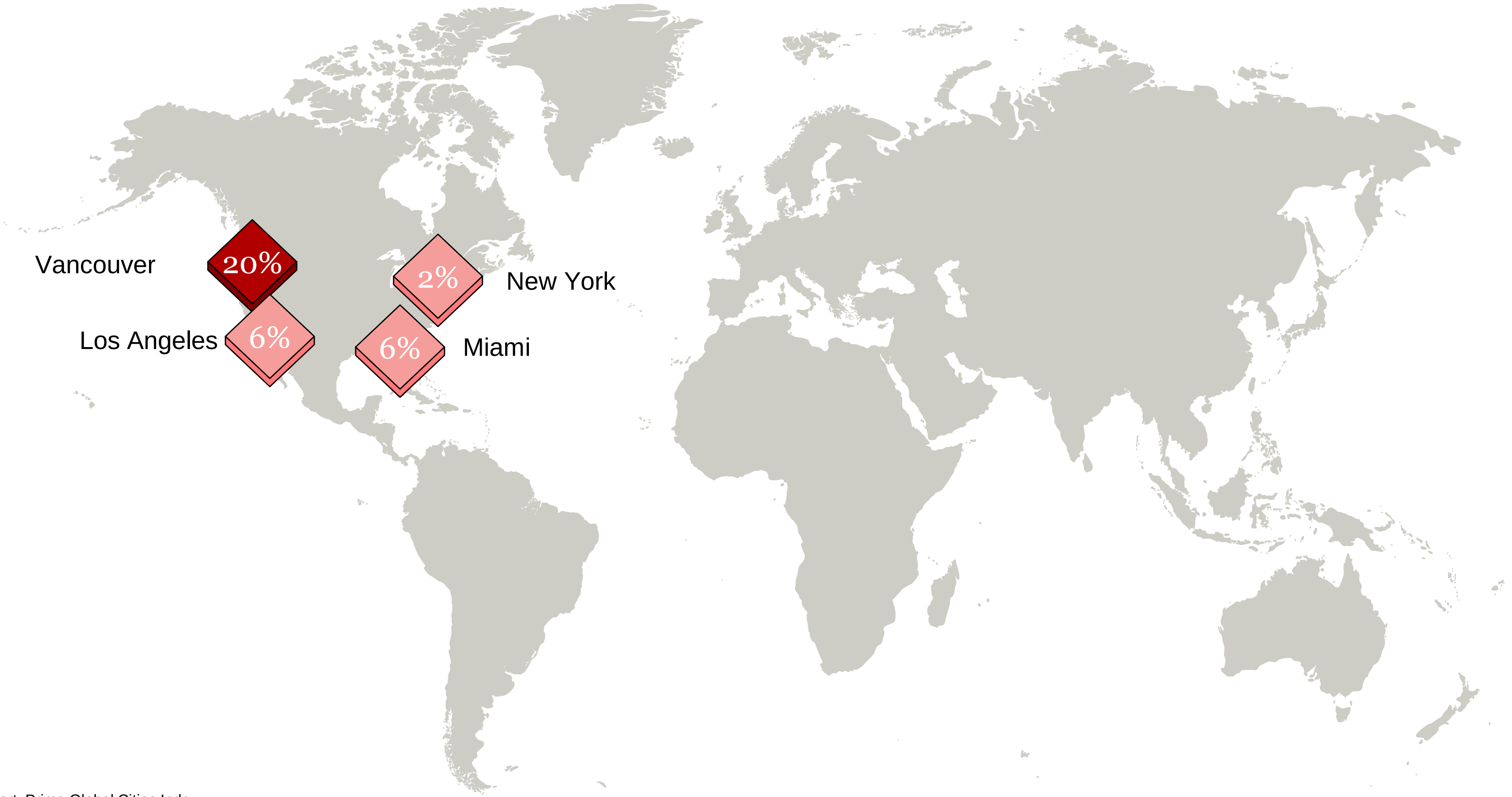
Simple drivers…

- **More wealth**, more buyers, more demand
- Focus on property in the **key markets**
- 2013 - 2014, **Chinese demand** went mainstream
- Why question the trend?

The reaction

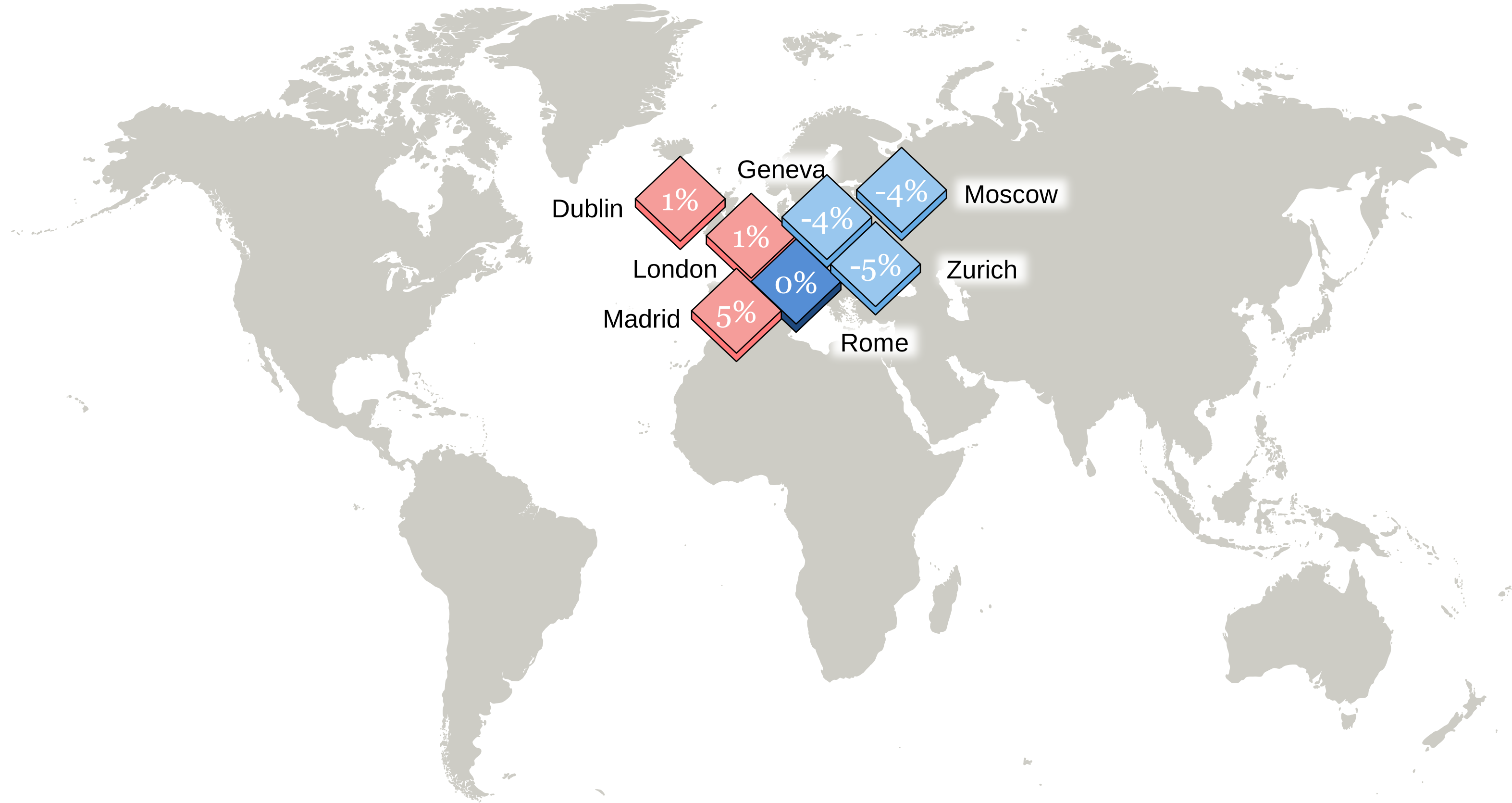
- **Property taxes** – London, Paris, New York, San Francisco, Singapore, Hong Kong
- **Russia** –reporting requirements for those seeking residency elsewhere
- **Switzerland** – more onerous residency requirements
- **Investment visas** – scrapped in Canada and Singapore
- **Capital controls** rising - India, Cyprus, Ukraine
- **Restrictions on foreign buyers** – Australia

Prime residential price change, past 12 months to Q3 2015



The Wealth Report, Prime Global Cities Index

Prime residential price change, past 12 months to Q3 2015



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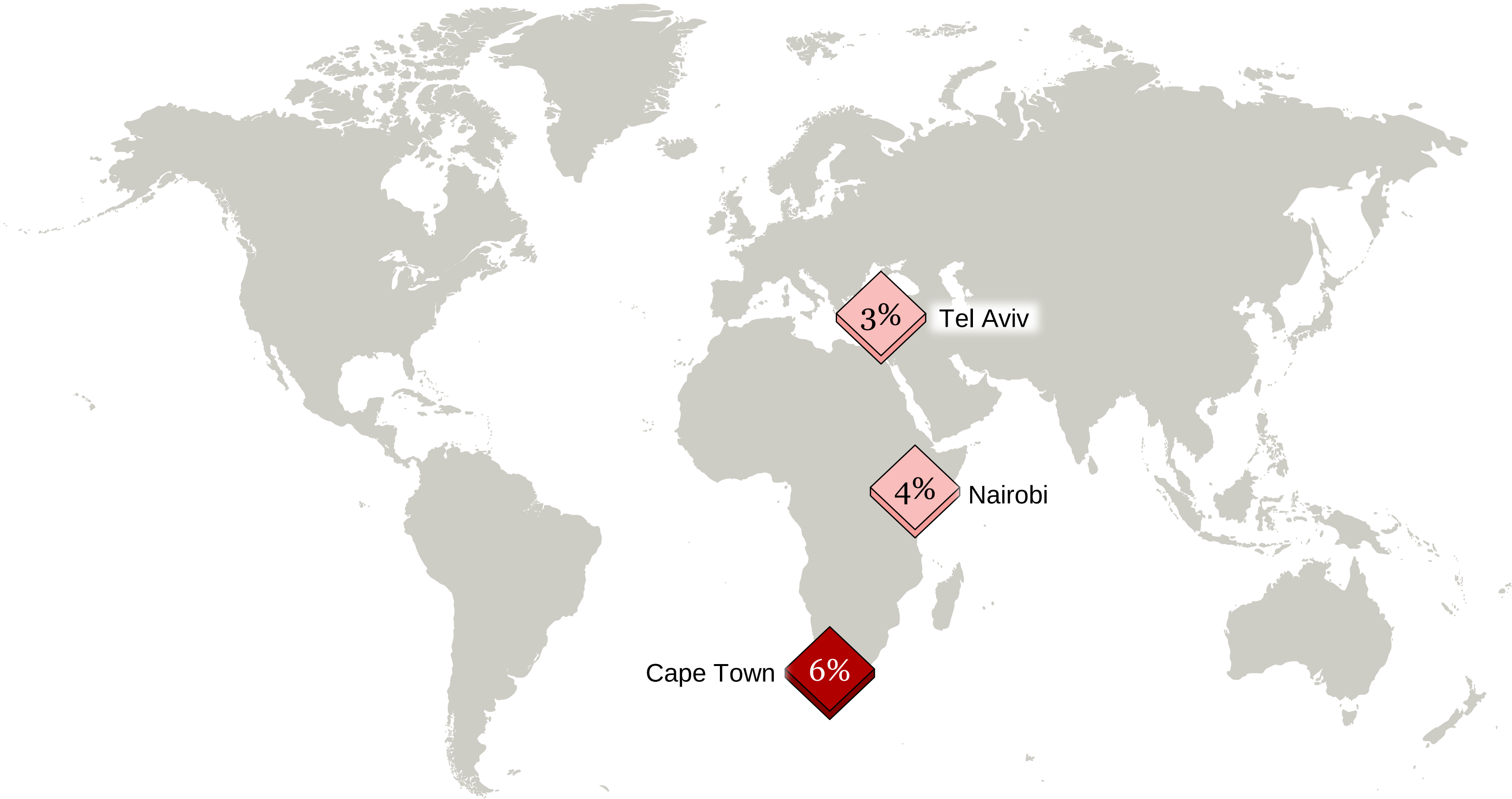
Prime residential price change, past 12 months to Q3 2015



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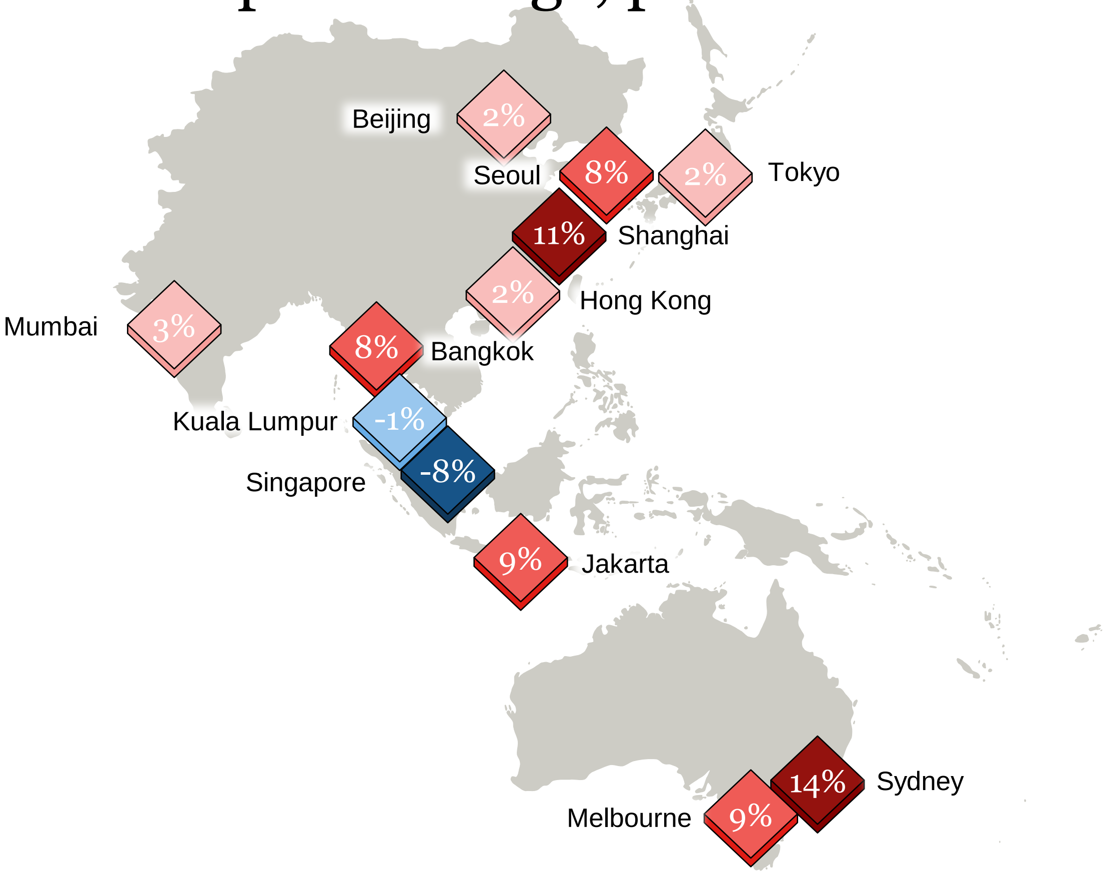


UHNWI Direct Investment in Commercial Property…

$47bn

2009

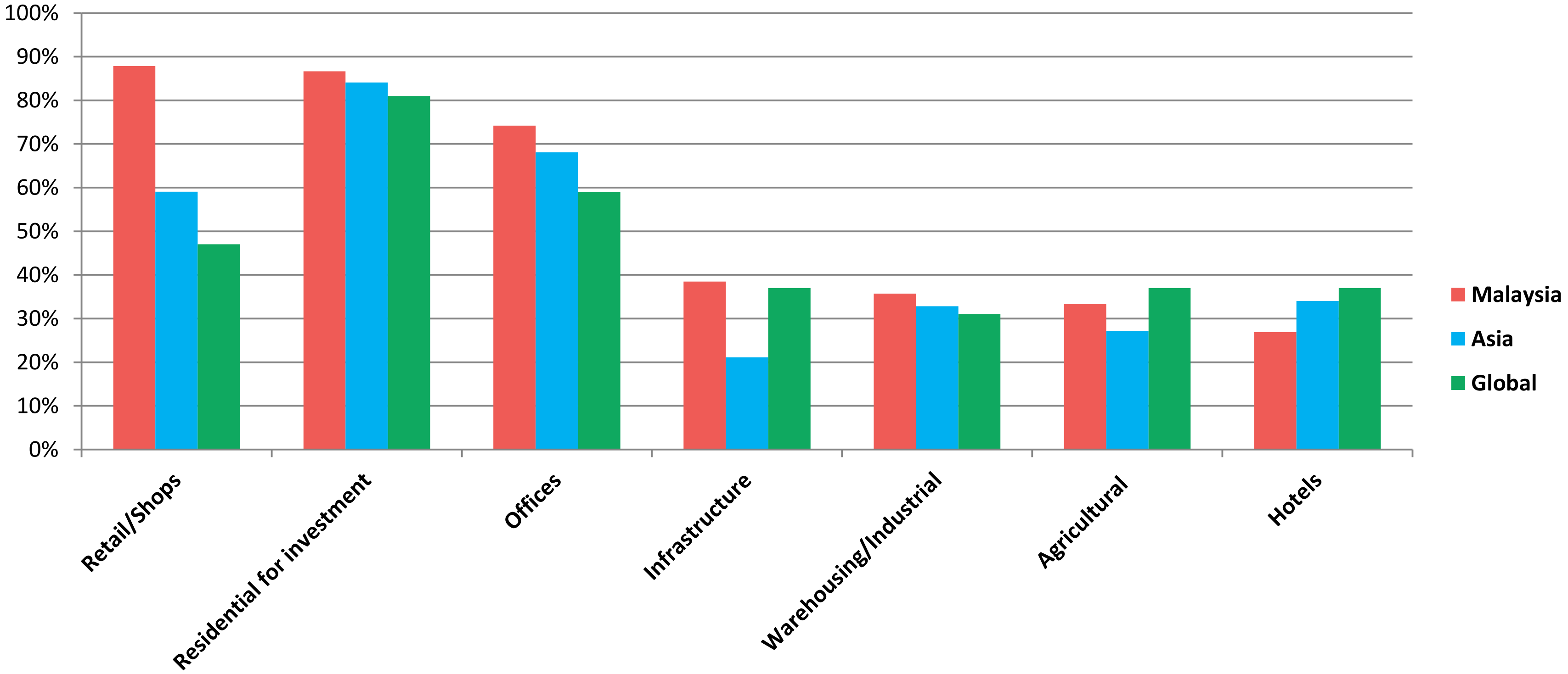
$153bn

2014

Real Capital Analytics, Knight Frank Research

Malaysian UHNWI Interest in Commercial Property…

Are your clients becoming more interested in the following property investments? (Percentage = respondents who said yes)



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Asian Appetite for Luxury Investments…

29%

% of global luxury spend accounted for by the Chinese

31%

% of Asian UHNWIs expected to increase spending on luxury goods in 2015

72%

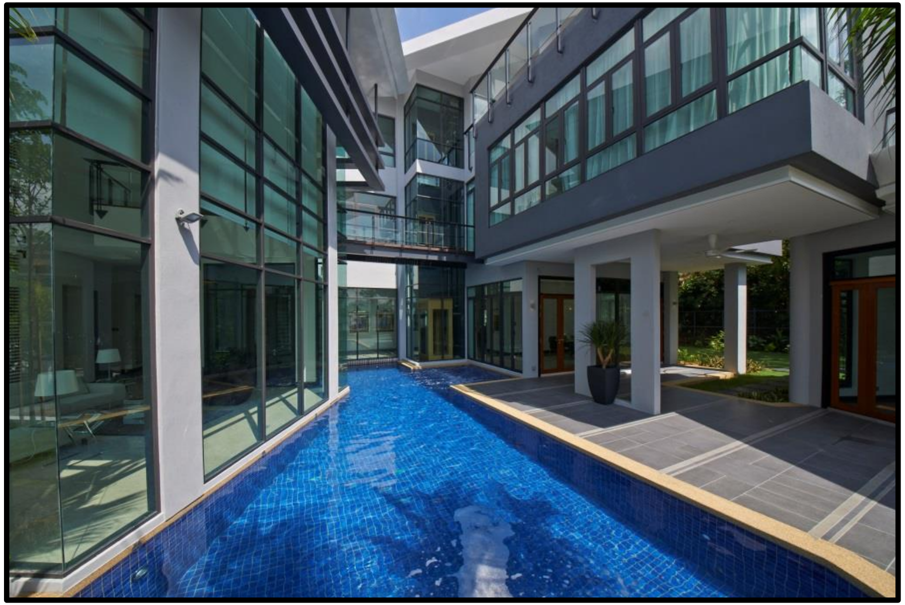
% of Indian UHNWIs expected to increase spending on luxury goods in 2015

61%

of younger UHNWI clients spend more on luxury goods than their parents' generation

The Wealth Report, Bain & Altagamma

What your money buys…



9 x Detached houses in Bangsar, KLCC, Jalan Ampang

RM 144m

=

What your money buys…

1 X Ferrari 250 GTO
1962 Berlinetta

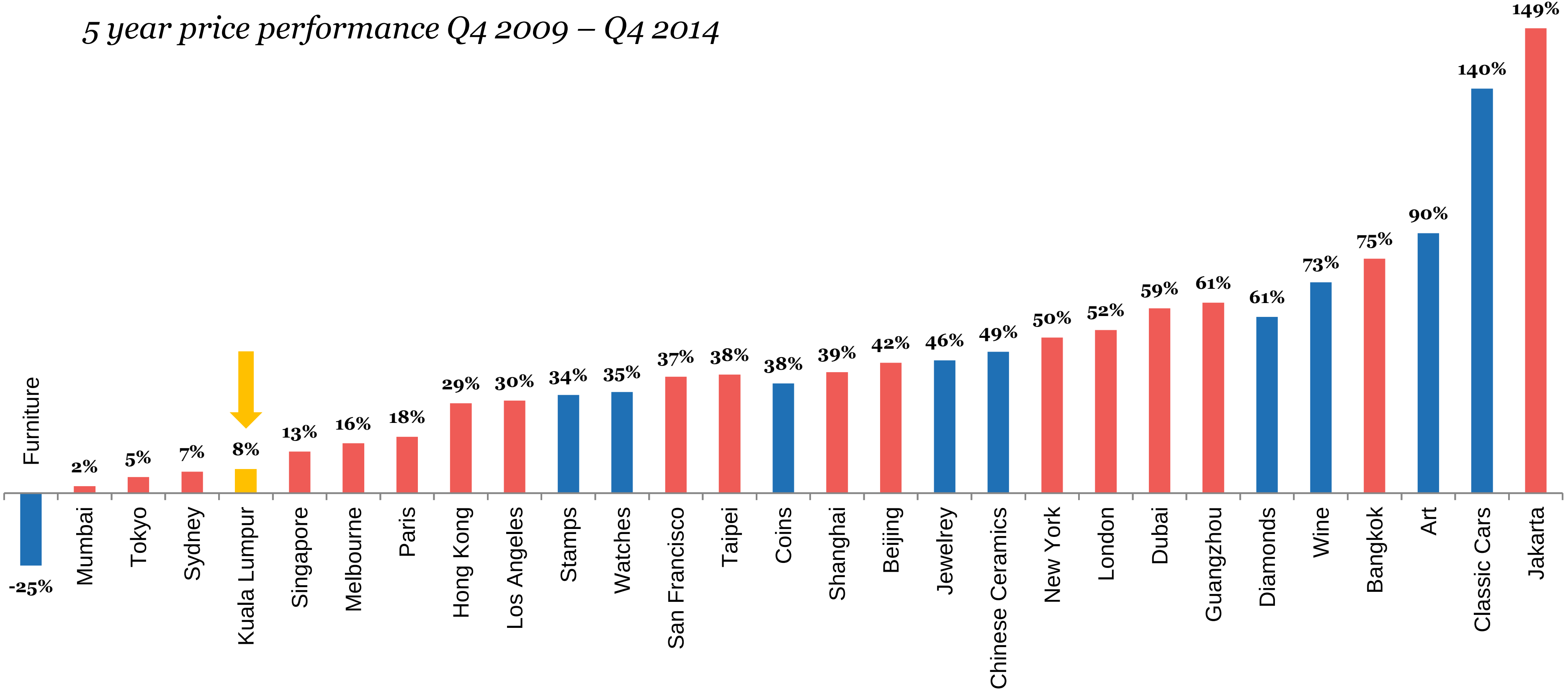
US$38m

Bonhams, August

OR

Investments of heart *AND* head

5 year price performance Q4 2009 – Q4 2014



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Property investment trends

23%

% of UHNWI wealth is in held in first and second home portfolio

36%

% of Malaysian UHNWIs planning to buy a residential property in 2015

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Conclusion

- Emerging markets and established hubs to lead wealth growth but interventions a threat to wealth flows
- Investments of passion to grow in demand
- Despite slow local market, for Malaysian UHNWIs, property retains its appeal

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