

# News Release

26 November 2012

## Latest Friends Investor Attitudes Index highlights women are more optimistic and take more risks than men

- 24% of women in Singapore adopt a high risk/high return strategy compared to 14% of men.
- Over one-third of the respondents underestimated the impact of inflation on the Singapore dollar
- Overall 'Saving for a 'rainy day'/emergencies' and 'Saving for retirement' topped the priority lists for affluent investors
- Half the affluent investors expect investment markets to improve over the next 6 months, favouring gold, money market funds, cash and equities

*Singapore 26 November 2012* – Friends Provident International today released a report highlighting the results of their Investor Attitudes survey for Q3 2012 (survey period from 15 to 30 October 2012). The survey drew responses from over 1500 global expatriates and domestic high net worth investors across Singapore, Hong Kong and UAE, and unearthed interesting differences between male and female investors in terms of risk preference and investment market outlook.

Female investors in Singapore have a higher risk tolerance than their male counterparts, with almost a quarter indicating a preference towards a high risk/high return strategy (24%) compared to just 14% of men. In addition women surveyed were more optimistic on the current and future state of the investment markets, with 58% of women saying these markets have improved compared to six months ago compared to 50% of men and 58% also saying the markets will improve in six months times compared to only 44% of men.

These differences are also present in investors' perceptions of their financial security. A quarter of women surveyed in Singapore indicated that they felt very financially secure compared to only 13% of men.

Despite these differences, both men and women jointly expressed their concern about the impact of America's third set of quantitative easing (QE3) on their retirement savings. Indeed, 76% of affluent investors in Singapore highlighted their intention to increase retirement savings to combat a possible rise in inflation from QE3.

Inflation also featured prominently, as affluent Singapore investors were asked what they thought the value of 10 Singapore dollars is today compared to 2002. The results were telling as few investors were able to accurately state how inflation has affected the value of the Singapore dollar, with over one-third of respondents understating the impact of inflation over the last 10 years.

Chris Gill, Principal Officer and General Manager, Southeast Asia at Friends Provident International said:

"Over one-third of the respondents underestimated the impact of inflation, which would in turn impact their decision on how much to set aside for their retirement. It is now more important than ever for consumers to seek professional advice to ensure they prioritise their goals in order to navigate the challenging environment and prepare for the uncertainties ahead."

The survey also provides a yardstick of the investor sentiment of affluent investors. Overall, 53% of affluent Singapore investors have a more positive take on the investment market compared to six months ago. This positive investor sentiment was further reflected in the fact that 50% of respondents expected investment markets to continue improving over the next six months.

Commenting on the positive investor sentiment, Mr. Gill said:

"Over the survey period, we saw decisive action by both the US Federal Reserve and European Central Bank who pledged financial stimulus to support the investment markets. These measures sent a strong signal and seemed to instil faith in the willingness of central banks to get the

global economy back on track, which had a positive knock on effect on investor confidence.”

To ride on this positive sentiment, affluent investors in Singapore have identified gold, money market funds, cash and equities as their preferred investment choices. Of which, gold is the most preferred investment class with 61% of respondents reverting that it would be a good time to invest in it. Interestingly, 57% of Singapore affluent investors also highlighted that it would be a good time to invest in property despite the rounds of measures by the Singapore Government to tame the property market.

Preferences in foreign currency holding were also explored, with respondents indicating what percentage of their investment portfolio (excluding CPF) were invested in various currencies. Affluent investors in Singapore have exposure to a wide range of currencies, reflecting the sophisticated nature of the community. Unsurprisingly the strong and stable Singapore dollar was the most popular currency. This was followed by the US dollar, with almost 70% having some in their portfolio, highlighting that this global currency is still favoured among investors due to its liquidity.

On a regional basis, ‘Saving for a ‘rainy day’/emergencies’; ‘Saving for retirement’ and ‘Education of children’ topped the priority list across the board. Men also showed a much higher propensity to save for retirement than women.

Mr Gill further commented that:

“59% of affluent investors in Singapore are aware of the importance of ‘Saving for retirement’ compared to 50% in Hong Kong and 49% in the UAE. 68% of men indicated that saving for retirement is their top priority for saving versus 47% of women. With increasing longevity and the impact of inflation, it would be a sensible course of action to place retirement planning at the forefront and ensure their investments are well protected by seeking professional advice.”

To view or download a copy of the Friends Provident International Investor Attitudes report, please visit [www.fpinternational.com](http://www.fpinternational.com)

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## **Notes to Editors**

This is edition one of the Friends Provident International (FPI) Investor Attitudes report, which will be a regular publication providing a detailed study of attitudes toward current investment conditions, investment strategy, attitudes to risk and current issues impacting investors in Hong Kong, Singapore and United Arab Emirates (UAE). FPI will use the research to develop the Friends Investor Attitudes Index, a reliable indicator of investor attitudes and sentiment.

The research follows on from the Friends Provident International Investor Attitudes Index. Eight waves of research were conducted from 2010 to 2012 surveying a nationally representative demographic sample in each region. The sample in edition one of the Friends Provident International Investor Attitudes report has been refined to focus on the views of affluent investors, reflective of Friends Provident International's customer base.

The survey has been conducted by Ignition House, a specialist financial services market research agency and SKOPOS, a multi-country market research consultancy, specialising in the digital space.

Interviews were conducted online 15 – 30 October 2012. The total sample size for edition one across all regions was 1537 (based on panel availability) to ensure the collection of robust data, representative of investor attitudes. The sample size in Singapore was 518. The sample size in Hong Kong was 515. The sample size in UAE was 504.

## **About Friends Provident International:**

Friends Provident International provides competitive life assurance, pensions and investment products for Asia, Middle East, Europe, UK and other selected markets, and is part of the Friends Life group.

Friends Provident International benefits from a strong relationship with the Friends Life group, sharing a heritage that dates back over 200 years, a reputation of trust, commitment and integrity in providing financial solutions to customers throughout their lives.

We have more than 30 years of international experience, offices in Dubai, Hong Kong, Singapore and the Isle of Man, and more than 400 staff worldwide.

See [www.fpinternational.com](http://www.fpinternational.com) for further information on Friends Provident International.

### **IMPORTANT INFORMATION**

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