



RBC Wealth Management

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Record Wealth Levels Reached in 2012 as Global High Net Worth Population Rebounds

***North America reclaims position as region with most High Net Worth individuals
while Asia-Pacific leads overall wealth growth***

Toronto, Paris, June 18, 2013 – Fueled by global recovery in the equity and real estate markets, the investable wealth of the world’s High Net Worth Individuals (HNWIs¹) rebounded in 2012, growing by 10 percent to reach a record high of \$46.2 trillion, after declining 1.7 percent in 2011, according to the World Wealth Report 2013 (WWR), released today by Capgemini and RBC Wealth Management. One million individuals joined the global HNWI population, which reached 12 million, reflecting an increase of 9.2 percent.

North America reclaimed its position as the largest HNWI market in 2012 after being overtaken by Asia-Pacific the year prior. North America’s population of 3.73 million HNWIs surpassed Asia-Pacific’s 3.68 million, while its HNWI wealth reached US\$12.7 trillion, above the US\$12.0 trillion in the Asia-Pacific region.

“HNWI population increases were strong in 2012,” said Jean Lassignardie, Chief Sales and Marketing Officer, Capgemini Global Financial Services. *“However, North America’s lead in both population and wealth is likely to be eclipsed again in the future by Asia-Pacific. Interestingly, while North America led in HNWI population, Asia-Pacific actually had a higher overall wealth growth rate at 12.2 percent, compared to North America’s 11.7 percent.”*

Global investable wealth growth was led by HNWIs in higher wealth bands, with ultra-HNWIs² expanding in wealth and number by approximately 11 percent, following declines in 2011.

All regions experienced strong growth in HNWI population and wealth except Latin America, which led growth in 2011, but faltered in 2012 due to slow GDP growth and challenged equity markets.

¹ HNWIs are defined as those having investable assets of US\$1 million or more, excluding primary residence, collectibles, consumables, and consumer durables.

² Ultra-HNWIs are defined as those having investable assets of US\$30 million or more, excluding primary residence, collectibles, consumables, and consumer durables.

Record wealth levels achieved despite cautious HNWI investing approach in 2012

HNWIs remained cautious in 2012, highlighting a pronounced focus on wealth preservation in the Global HNWI Insights Survey introduced this year in the WWR³, based on feedback from over 4,400 global HNWIs. Despite recent market improvements, one-third (33 percent) of HNWIs are more focused on preserving, versus just 26 percent on growing, their wealth.

Asset allocation trends followed the preservation trend, with almost 30 percent of HNWI wealth held in cash and deposits. Regional differences were clear with equities taking up the largest portion of North American HNWI portfolios (37 percent), while HNWIs in Latin America and Asia-Pacific (excluding Japan) preferred real estate (30 percent and 25 percent of portfolios respectively).

“Despite a marked focus on capital preservation and high cash allocations, high net worth individuals achieved a record level of wealth in 2012, suggesting further growth lies ahead if trust and confidence in the markets increase further,” said M. George Lewis, Group Head, RBC Wealth Management & RBC Insurance.

HNWI trust in Wealth Management industry grows

Global HNWI confidence in the wealth management industry has improved, with 61 percent having a high degree of trust in both wealth managers and their firms in early 2013, up four and three percentage points respectively from last year. Increased trust and a cautiously upbeat economic outlook contributed to 75 percent of HNWIs feeling confident about generating future wealth. At the same time, HNWIs expressed a low level of confidence in markets and regulators, with fewer than half having a high level of trust in each (45 percent and 40 percent, respectively).

In terms of meeting wealth management needs, HNWIs indicated preference for a seamless approach, working with a single firm (41 versus 14 percent preferring multiple firms) and single point of contact (34 versus 24 percent preferring multiple contacts). While 31 percent prefer direct in-person contact, almost one in four HNWIs feel digital communication to be more important, a trend driven by younger HNWIs and those in Asia-Pacific (excluding Japan).

Future outlook cautiously upbeat, led by Asia-Pacific

Looking forward, with the ongoing economic recovery providing an environment of reduced risk and improving investor confidence, global HNWI wealth is forecast to grow by 6.5 percent annually over the next three years. This is in contrast to the sluggish 2.6 percent growth since the financial crisis in 2008. The Asia-Pacific region, which is projected to grow at one and a half times the global average at 9.8 percent, is expected to lead global growth.

³ Capgemini, RBC Wealth Management, and Scorpio Partnership Global HNWI Insights Survey 2013

The World Wealth Report 2013

The World Wealth Report from Capgemini and RBC Wealth Management is the industry-leading benchmark for tracking high net worth individuals (HNWIs), their wealth, and the global and economic conditions that drive change in the Wealth Management industry. New to this year's 17th annual edition is findings from one of the most in-depth primary research works available on global HNWI perspectives and behavior. Based on responses from over 4,400 High Net Worth Individuals across 21 countries, the Global HNWI Insights Survey explores HNWI confidence levels, asset allocation decisions, as well as their wealth management advice and service preferences.

Download the report at www.worldwealthreport.com

About Capgemini

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About RBC Wealth Management

[RBC Wealth Management](#) is one of the world's top 10 largest wealth managers*. RBC Wealth Management directly serves affluent, high-net-worth and ultra-high-net-worth clients in Canada, the United States, Latin America, Europe, the Middle East, Africa and Asia with a full suite of banking, investment, trust and other wealth management solutions. The business also provides asset management products and services directly and through RBC and third-party distributors to institutional and individual clients, through its RBC Global Asset Management business (which includes BlueBay Asset Management). RBC Wealth Management has more than C\$604 billion of assets under administration, more than C\$369 billion of assets under management and over 4,400 financial consultants, advisors, private bankers and trust officers.

About RBC

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*Scorpio Partnership Global Private Banking KPI Benchmark 2012. This measurement includes all global RBC Wealth Management affiliates including the U.S. division. In the United States, securities are offered through RBC Wealth Management, a division of RBC Capital Markets, LLC, a wholly owned subsidiary of Royal Bank of Canada. Member NYSE/FINRA/SIPC.