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While North America growth slows, Asia-Pacific surges ahead in both High Net Worth Wealth and population finds World Wealth Report 2016

Global Wealth Projected to Reach US\$100 trillion by 2025

Paris, June 23, 2016 — While globally in 2015 High Net Worth Individual (HNWI)¹ wealth saw only a modest growth of 4 percent, wealth in Asia-Pacific grew at an aggressive 10 percent propelling Asia-Pacific into the lead position as the region with the most HNWI wealth globally according to the 20th edition of the World Wealth Report (WWR), released today by [Capgemini](#). This is the first time that Asia-Pacific is ahead of North America for both HNWI wealth and population. In 2015, Asia-Pacific held US\$17.4 trillion in wealth with a 5.1 million HNWI population in comparison to North America's US\$16.6 trillion in HNWI wealth and 4.8 million in population.

Global HNWI wealth reached US\$58.7 trillion and the HNWI population grew at 4.9 percent to be 15.4 million in 2015. Since 1996, global HNWI wealth growth has expanded by four times equaling nearly US\$59 trillion, and if current modest growth rates hold, wealth is projected to reach US\$100 trillion in 2025. Despite these record wealth levels, the report also found that only one-third (32 percent) of global HNWI wealth is currently being managed by individual wealth managers, representing a challenge and an opportunity for firms to consolidate assets.

"It is remarkable that only one-third of HNWI wealth is currently with wealth management firms which shows how great the growth potential is for firms that can combine digital technology and FinTech capabilities with human expertise and relationships, to reflect state-of-the-art services for clients," says Anirban Bose, Head of Banking and Capital Markets, Capgemini's Financial Services Business Unit. *"Those firms that can offer a digitally-integrated customer experience that builds on high levels of trust and confidence in firms and captures the characteristics of speed, flexibility and ease of use will be well positioned to become leading firms of the future."*

¹ High Net Worth Individuals have more than US\$1 million in investible assets excluding primary residence, collectibles, consumables, and consumer durables.

Asia-Pacific Region Poised to Drive Growth over Next Decade

Asia-Pacific has been a driving force, doubling HNWI wealth and population over the decade. Asia-Pacific's HNWI wealth grew by 10 percent in 2015 which is almost five times North America's 2 percent wealth growth in 2015 decelerating substantially from 2014's 9 percent growth rate. Using a more aggressive growth projection, if markets in Asia-Pacific continue to grow at its 2006 to 2015 rate, Asia-Pacific will represent two-fifths of the world's HNWI wealth in ten years, more than that of Europe, Latin America, and Middle East and Africa combined. Japan and China stand out as regional dynamos, driving almost 60 percent of global HNWI population growth in 2015.

Asia-Pacific's HNWI population growth of 9 percent in 2015 also far outpaced that of North America (2 percent), and was nearly double that of Europe (5 percent). Latin America was impaired by the poor performance of Brazil, which lost momentum in both HNWI population (-8 percent) and wealth (-6 percent). Dampened by Latin America, ultra-HNWI wealth, long a driver of overall HNWI wealth did not provide its usual boost in 2015. Excluding Latin America, however, ultra-HNWI wealth grew more than the other wealth segments, both in 2015 and for annualized growth over 2010 to 2014.

Opportunity for wealth management firms to attract more clients

Wealth management firms are well positioned to capture a greater share of the rising tide of HNWI wealth, the report found. HNWI exhibited substantially more confidence in wealth management firms (+17 percentage points) and the financial markets (+30 points) in 2015 compared to 12 months prior. And while trust in individual wealth managers remained flat, 68 percent of HNWI expressed satisfaction with the relationship, indicating a willingness to consolidate more of their assets with wealth managers.

Wealth management firms and wealth managers, however, have yet to gain a majority share of HNWI investable assets. In 2015, more HNWI wealth (35 percent) was essentially liquid, held in bank accounts or as physical cash, compared to the 32 percent that was overseen by individual wealth managers. Under-40 HNWI were even less likely to turn to wealth managers (28 percent), while those in North America were more likely (39 percent).

Leveraging high levels of trust is key

To help wealth management firms build upon growing levels of trust and attract more HNWI assets, the WWR identified the characteristics that HNWI are most likely to seek in a firm. The top three services HNWI look for when choosing a wealth management firm are investment advice (47 percent), financial planning expertise (40 percent) and investment access (40 percent). In addition, the report found almost half of HNWI (48 percent) are focused on investing for growth. Because a growth approach involves a tendency to hold more assets in alternative investments, wealth management firms may need to broaden their investment expertise beyond equities. Finally, HNWI are also starting to favor pay-for-performance fee models, requiring firms to examine their more traditional fee approaches.

20 Years of the World Wealth Report

This year's report includes a retrospective of the last 20 years of HNWI wealth, which was marked by resiliency, even in the face of global financial disaster, as well as the rise of various trends, including social impact investing and technology disruption. Looking ahead, the report predicts that the pace of change will accelerate with disruption in four key areas: clients, operations, regulations, and digital technology. It is anticipated that change will span many issues, including but not limited to: market volatility, wealth transfer impact, pressure on traditional fee models, acceleration of value chain commoditization, regulatory focus on fiduciary duty and FinTech disruption. Budgetary allocations will need to adjust from business as usual towards transformation, to reflect the changing dynamics and new realities of the industry.

The World Wealth Report from Capgemini 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. This year's 20th annual edition includes findings from the most in-depth primary research works available on global HNWI perspectives and behavior. Based on responses from over 5,200 High Net Worth Individuals across 23 major wealth markets in North America, Latin America, Europe, Asia-Pacific, the Middle East, and Africa, the Global HNWI Insights Survey explores HNWI confidence levels, asset allocation decisions, perspectives on driving social impact, as well as their wealth management advice and service preferences. The 2016 Capgemini Wealth Manager Survey queried more than 800 wealth managers across 15 major wealth markets in North America, Latin America, Europe and Asia-Pacific, to assess the evolving role of wealth managers.

For more information, explore the interactive report website at www.worldwealthreport.com.

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