

# Friends Provident International Investor Attitudes Report – Edition 5

October 2014

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## About the survey

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The survey has been conducted by TNS, one of the world's largest insight, information and consultancy groups, which provides market research insight across the whole of industry.

Online interviews were conducted in the same period for Hong Kong and Singapore between 12 and 23 September 2014 to ensure that respondents were answering the questions in a similar financial market environment.

The total sample size for Edition 5 was just over 1,000 to ensure the collection of robust data.

The breakdown for each country was:

- **Hong Kong** – 505 interviews
- **Singapore** – 501 interviews

To be included in the survey, respondents must meet the following criteria:

### Identifying wealthier respondents

Emerging affluent and affluent respondents for each region have been identified based on their total investable assets (inclusive of all financial assets – cash, bonds, equities, pensions except for the MPF in Hong Kong and the CPF in Singapore – but excluding primary residences, collectables and consumer durables).

	Hong Kong	Singapore
<b>Sample size</b>	N=505	N=501
<b>Target audience</b>	Equal split between: <b>1</b> Emerging affluent (HK\$ 500,000 – HK\$ 1,000,000) <b>2</b> Affluent (above HK\$ 1,000,000)	Equal split between: <b>1</b> Emerging affluent (S\$ 80,000 – S\$ 200,000) <b>2</b> Affluent (above S\$ 200,000)
<b>Global mobility</b>	Respondents who <b>are currently living/have lived</b> outside their home country <b>for at least six months or more in the past five years</b> N=348	N=174

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## Setting the scene

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The latest edition of our Investor Attitudes survey coincides with the final few months of 2014. We believe it is a good time to look back at the themes which have shaped investors' decisions since the beginning of the year.

### **A world without quantitative easing (QE) but with higher interest rates**

While the first quarter of the year was dominated with the question of how the world's less mature, and therefore more vulnerable, economies would cope with less liquidity from the US, the following six months were all about the timing of an interest rate hike in the US. Either way, the US Federal Reserve (Fed) is set on tightening its monetary policy and investors have been trying to get used to the fact that liquidity will not be as abundant in the future. With quantitative easing due to end in the US in October, talk about when the first hike in interest rates might take place was always going to be inevitable.

The tightening of US monetary policy has acted as a key influence on stock market performance over the past six months. Reassurances from Fed chief Janet Yellen, that interest rates would remain lower for longer, helped to boost the confidence of investors worldwide and riskier assets, including emerging market equities and high yield bonds, were well supported.

### **A focus on China**

The reduction in QE by the US Central Bank came at a time when data from China proved less than impressive. The strength of the Chinese economy has therefore been a major focal point over the past six months too. The Australian, Canadian and UK stock markets, which are heavily dependent on China owing to their high weighting in resources stocks, have been especially vulnerable to investors' concerns about China, its weakening demand for raw materials and the subsequent decline in industrial metal prices.

Worries over the amount of debt accumulated by China's shadow banking system have also multiplied. China's dominance on the global stage means that questions about its reliance on debt creation are not going to go away soon.

But the Chinese economy does appear to be making progress, albeit tentatively. Reports out during the summer suggested that the mini stimulus package introduced by the Chinese government earlier in the year, including tax cuts for small firms, reserve requirement cuts for some banks and spending on railways and public housing, had taken effect. China's economy grew by 7.5% in the second quarter from a year earlier, up slightly from 7.4% in the first three months of 2014, and strengthening the belief that the government's annual growth target of 7.5% could be met.

The long-term case for China is supported by a growing urban population and the fact that millions of people across Asia's largest economy are becoming consumers for the first time ever. Any short-term concerns over Chinese activity based on weaker external demand should be seen in the context of a China which will become self-sufficient at some point in the future, and therefore better placed to make the jump from an economy reliant on exports to one more focused on demand from its own consumers.

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## Setting the scene continued

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### **Emerging markets begin to recouple with the developed world**

A more upbeat tone toward China during the summer, together with reassurances from the US Central Bank that an interest rate hike was not imminent, has guided money back into emerging market assets. At the same time, the US economy has continued to go from strength to strength and this improvement appears to be feeding through into higher rates of growth for export-led economies such as Taiwan and Korea.

### **Positive political change in emerging Asia**

Investor sentiment in Indonesia and India has been boosted by the election of business-friendly governments. There were cheers of applause from investors in Indian equities following the appointment of Narendra Modi as prime minister in May 2014. The euphoria which had preceded the country's elections has lingered and the Indian stock market hit news highs during the summer, making it the tenth largest in the world by value. Investors are pinning their hopes on Modi turning around the flagging economy. He has so far made a fitful start by declaring that manufacturing should offer a source of opportunity for the country's younger populations.

### **US government bonds resilient at a time of rising equity markets**

The good performance of top-tier government bonds continued into the second quarter, even though the equity bulls had returned in force by then. The yield on the 10-year US government bond fell to a fresh low for the year of 2.45% during the final week of May, the same week that global stock markets reached a six-year high on the back of expectations that the Fed would keep interest rates at their ultra-low levels for longer.

And with rhetoric from the US Central Bank showing no sign of changing in June and July and tensions between Ukraine and Russia intensifying, the yield on the 10-year US government bond fell again. The resilience of government bonds is all the more remarkable considering that demand for these assets will decline when the Fed ends its quantitative easing programme in October.

### **Europe and the US are oceans apart**

But when it comes to falling yields, it's the 10-year German government bond where the declines were the most pronounced. Yields on Germany's 10-year government bond fell below 1.0% for the first time ever in August. This serves as a reminder of the different situation the eurozone finds itself in to that of the US and the UK. The focus in Europe is on the possibility of even more economic stimulus, not the reverse.

Recent economic data from Europe, including manufacturing and quarterly growth figures, has failed to build on the progress that the economy was making earlier in the year, while the political will to bring about the necessary structural changes in France and Italy remains in short supply. Even though Germany's economy has pushed ahead of its peers, its closeness to eastern Europe, in terms of the large number of German firms which derive a sizeable portion of their profits from the region, has meant it is vulnerable to the tense relations between the West and Russia.

In addition, the European Central Bank (ECB) has yet to solve the problem of scarily low rates of inflation. The peripheral eurozone countries, namely Greece and Portugal, have already fallen prey to deflation. The ECB took the drastic step of lowering interest rates again in September and bulking up its asset purchase programme to ensure this problem does not engulf the region's larger economies.

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## Setting the scene continued

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### **Banking on inflation in Japan**

Trying to boost price levels is something the Bank of Japan (BoJ) knows all about. Economic stimulus and reform are still at the top of the agenda in Japan where the consumer sales tax was increased to 8.0% in April. The timing of the hike in tax was not ideal, coinciding with geopolitical conflict, uncertainty over the US economy and the gains in the yen at the hands of the currency's safe-haven status. It's no surprise then that Japanese equities had a challenging time earlier in the year.

But once the consumption tax hike had been introduced, investors started to feel more confident about investing in Japanese equities and the Nikkei 225 Index performed much better than its developed Western counterparts during the remainder of the summer. Many Japanese companies are actually in decent health and appear to be ready to start investing in the future of their businesses. The strength of the US dollar amid improving US economic data also brought down the yen and so lifted confidence in Japan's export sector. The jury is still out on whether 'Abenomics', Prime Minister Shinzo Abe's three-pronged strategy to stimulate the economy, can work in the longer term.

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## Message from John Van Der Wielen

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I'm delighted to introduce the fifth edition of Friends Provident International's Investor Attitudes Report. We have been conducting this research for five years in order to gain invaluable insights into our customers' needs, as well as their perceptions and attitudes to current market conditions.

For this edition, we added a new segment – global mobility – to look at the differences between those people who have worked outside their home country for at least six months in the past five years compared to those who have never worked abroad. One of the key findings was the influence that working abroad had on one's investment strategy, and in particular we noticed an overall increase in investment appetite and the feeling of financial security.

The Friends Provident Investor Attitudes Index has been following a general downward trend over the past three editions. Singapore received its lowest score since inception, dropping to 11 points, while Hong Kong's index score remained steady at 15 points. The negative Asian sentiment we have seen here has proven to be a very good indicator to October's market turmoil.

Financial markets are cyclical. However, it is impossible to accurately forecast markets. So, while the short-term market conditions are volatile, with market nerves about a eurozone slowdown, the crisis in Ukraine and the effect of protests in Hong Kong, it's important that investors are taking a long-term view. Diversification of assets will be key to long-term financial freedom.

As a global product manufacturer, our business is built on understanding our customers' preferences in different life stages as well as the challenges that they face. The results are a clear validation of our global mission of providing expert financial solutions to our customers that are easy to use and that help them achieve their financial aspirations. We are committed to investing in our Investor Attitudes research as the insights obtained from this report will help us to further enhance our service and product offerings to our customers.

### **John Van Der Wielen**

Executive Chairman  
Friends Provident International

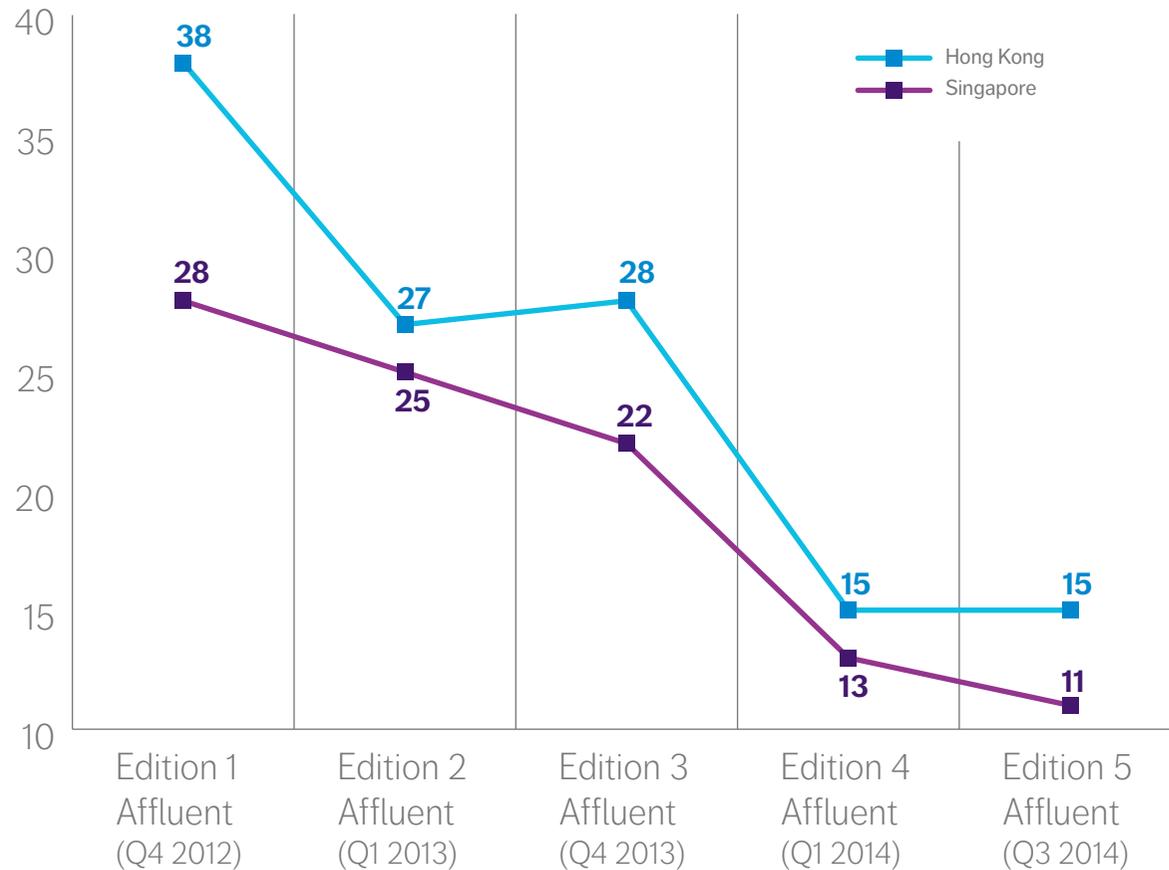
## A look at the regions

Attitudes in Hong Kong and Singapore continue to be broadly aligned.

Investors' attitudes in the two regions have not changed significantly since the last edition (Q1 2014) of the Friends Provident International Investor Attitudes Report and, on balance, respondents remain positive about the current investment climate. However, we have seen a downward trend in the last two years in terms of investment sentiment.

Investors in Hong Kong are slightly more optimistic about the current investment climate than investors in Singapore. The latest Friends Investor Attitudes Index has dropped by 2 points to 11 in Singapore, while Hong Kong has stayed flat at 15.

### Friends Investor Attitudes Index



The Friends Investor Attitudes Index is an average of all index scores for all categories.

The Index scores are calculated by first applying a balanced weighting to the rating figures, where 100 is most positive and -100 is the least positive, then dividing the sum of these weighted figures by the total number of respondents (excluding those who select 'Don't know').

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## A look at asset classes by region

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The global financial markets have become a more volatile place since our previous Investor Attitudes survey in April 2014. We are getting closer to the US Central Bank, the Federal Reserve, ending its quantitative easing programme in October and the first increase in US interest rates since 2008. In addition, economic growth across the eurozone has slowed and there are still questions over the strength of the Chinese economy.

With these factors in mind, it is understandable that the cautious approach we witnessed among the respondents of our survey in April continued throughout the following six months of the year. The popularity of gold among the investors we have spoken to has not picked up and this coincides with a marked fall in the price of the precious metal. Although inflation remains high in some parts of Asia and Latin America, inflationary pressures in the Western world are extremely subdued, hence the lower price of gold.

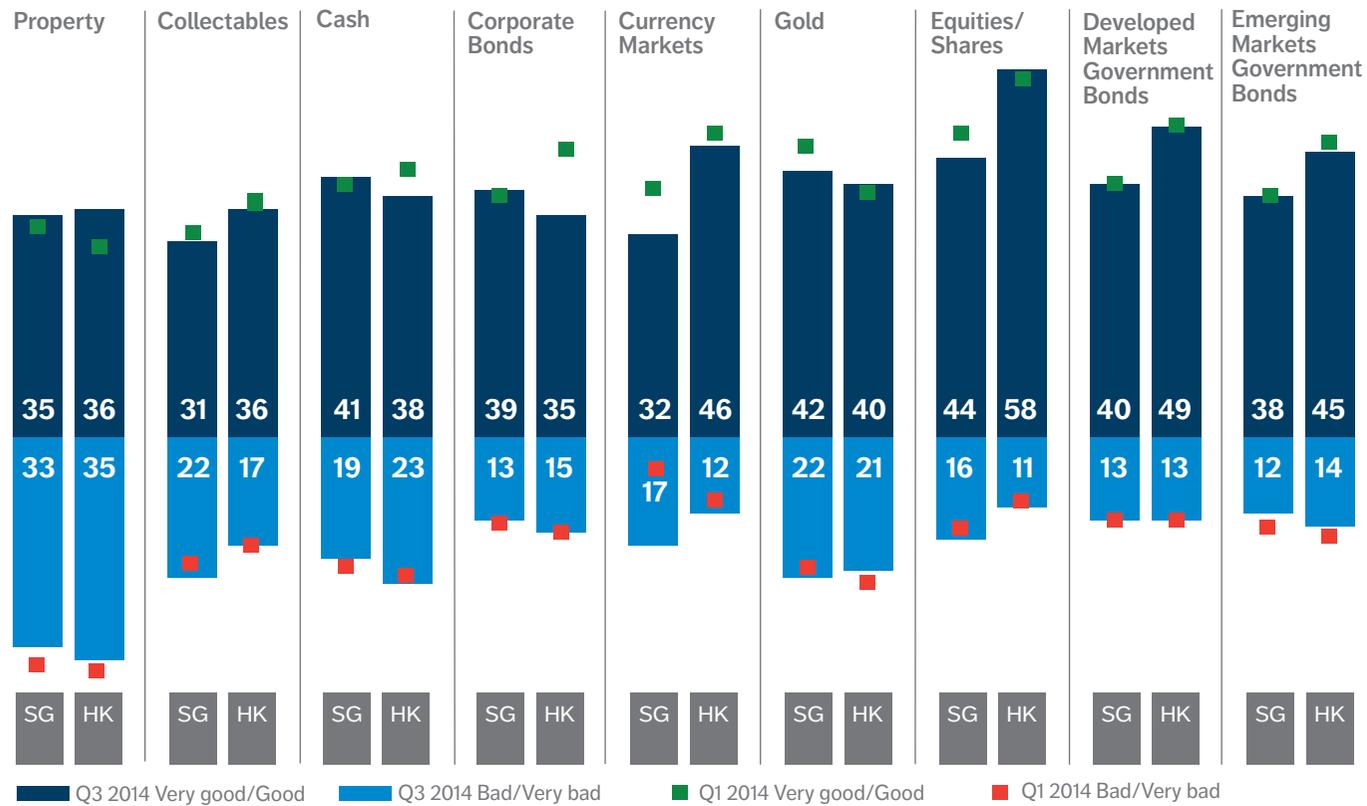
Many of the investors we talked to for our survey still appear to favour equities as an investment choice. This is particularly the case among people who have spent time abroad.

The shares of companies based in developing market economies were overlooked by most investors in the opening stages of this year due to worries over the lack of liquidity in the global financial system once quantitative easing in the US ends. Investor sentiment in emerging market equities has improved though thanks to the attractive valuations on offer in this space following a period of weaker performance. The steady pick-up in the US economy on which many export-led economies are dependent, including Taiwan and Mexico, also explains why the respondents of our survey remain confident in the long-term outlook for developing market equities.

Despite similar Investor Attitudes Index scores, there is a divergence of opinion about individual classes across the regions. The people we spoke to in Hong Kong are notably more positive about investing in the currency markets and equities/ company shares than their counterparts in Singapore. In particular, 14% more of respondents from Hong Kong believe that now is a very good/ good time to invest in the currency markets (46%) and equities/ shares (58%) than the respondents of our survey in Singapore.

## A look at asset classes by region continued

Do you think now is a very good, good, neither good nor bad, bad or very bad time to invest in the following categories?



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## Key findings

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### Hong Kong

- Main index remained flat compared to six months prior.
- Asset class index scores largely flat or showing small decreases with exception of property and to a lesser degree gold.
- While overall appetite for risk has fallen compared to six months ago, globally mobile appear more risk tolerant and optimistic in their outlook.
- Emerging markets are expected to outperform developed markets.
- Significant drop in the proportion of those feeling financially insecure from 21% to 10%, while proportion of those feeling secure dipped slightly by 2%.
- Globally mobile face new challenges when moving abroad but feel more secure than those who have not worked abroad.
- 85% see need to supplement their MPF retirement savings.
- Properties and investment-linked products top list of investment considerations to supplement retirement needs.
- 57% say retirement and emergencies are primary saving focus.
- Importance of insurance is front of mind – 70% of globally mobile recognize insurance as a way of preserving and accumulating wealth.

### Singapore

- Singaporeans who have worked abroad have a significantly higher appetite for investment across all asset classes compared to those who work locally.
- Australia and Hong Kong are coming through as alternative markets for investment.
- Majority of those who have worked abroad found the process of setting up their financial plans difficult, 60% expressing that it was complicated.
- Education planning is the greatest challenge they face while working abroad.
- Insurance as a means of preserving and accumulating wealth has increased and this trend is amplified by those who have worked abroad with 75% agreeing insurance is more important now compared to five years ago.
- Only 39% of Singaporeans who have worked abroad would consider retiring back in Singapore.
- 50% of those who have worked abroad would consider retiring outside their country of origin.

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Hong Kong

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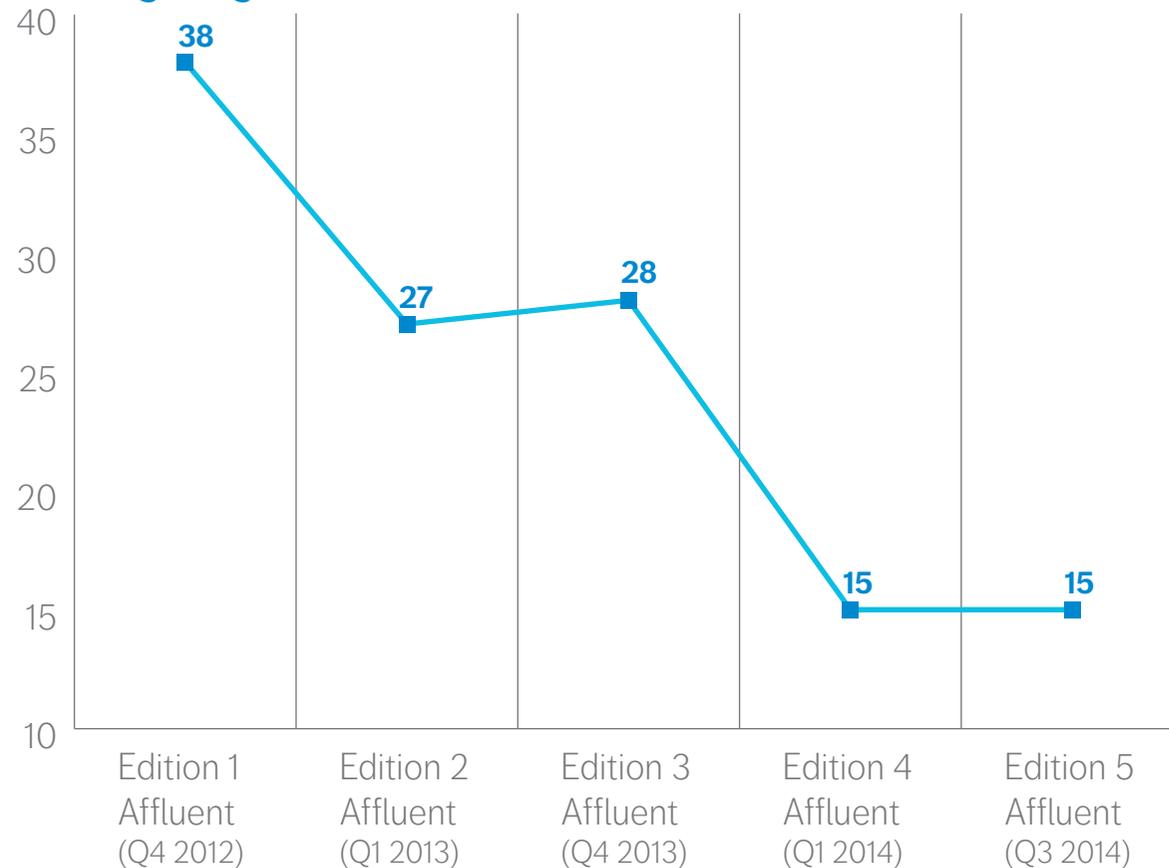


## Findings at a glance – Hong Kong

Hong Kong index scores remained flat compared to Q1 2014.

Hong Kong residents continue to be more optimistic than Singaporeans with the September 2014 findings indicating that the overall Hong Kong index score remained steady at 15 points.

**Hong Kong Investor Attitudes Index**



The Friends Investor Attitudes index is an average of all index scores for all categories.

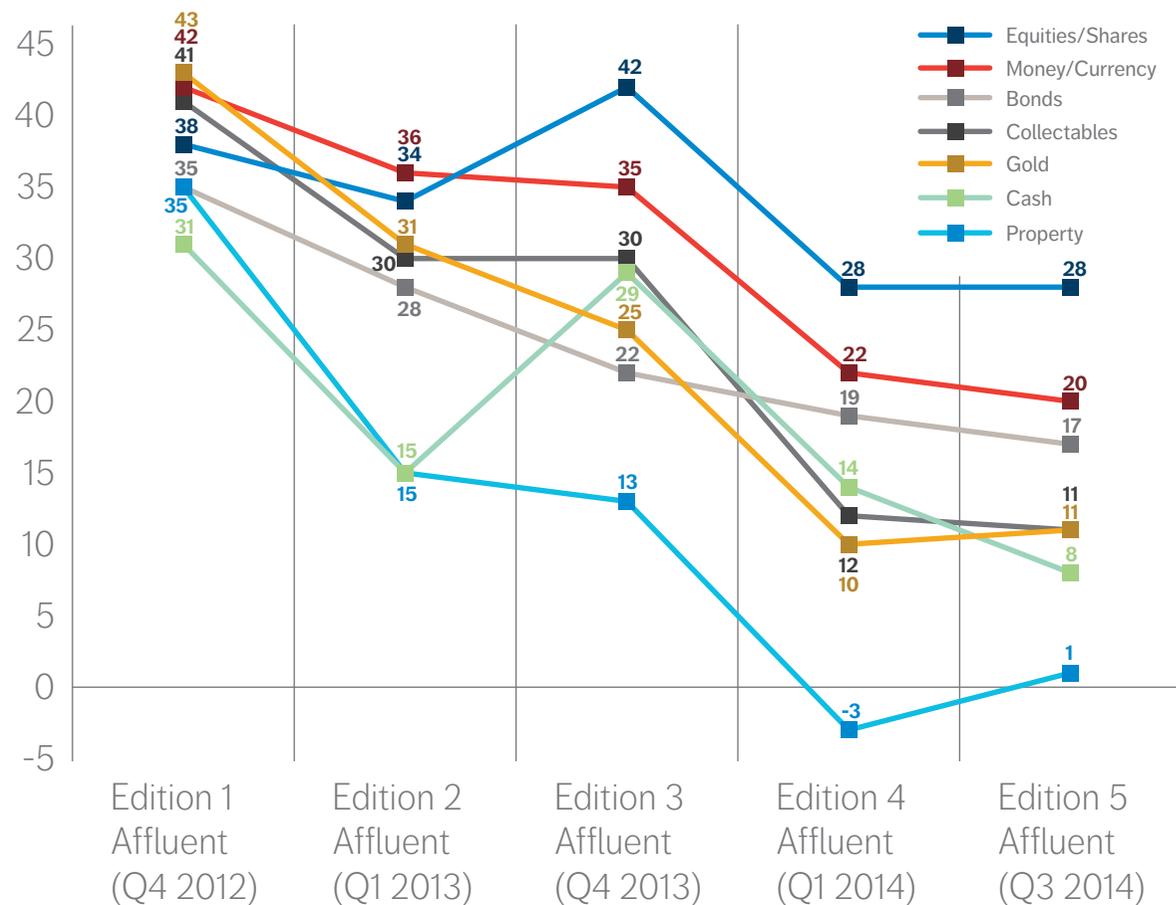
The index scores are calculated by first applying a balanced weighting to the rating figures, where 100 is most positive and -100 is the least positive, then dividing the sum of these weighted figures by the total number of respondents (excluding those who select 'Don't know').

## A closer look at asset classes

Investment sentiment towards most asset classes such as equities/shares and bonds either remained flat or dropped with the exception of property and gold.

Sentiment around property rebounded significantly to score positively again. Interestingly, feelings towards gold went up just by one point despite the steadily declining gold price.

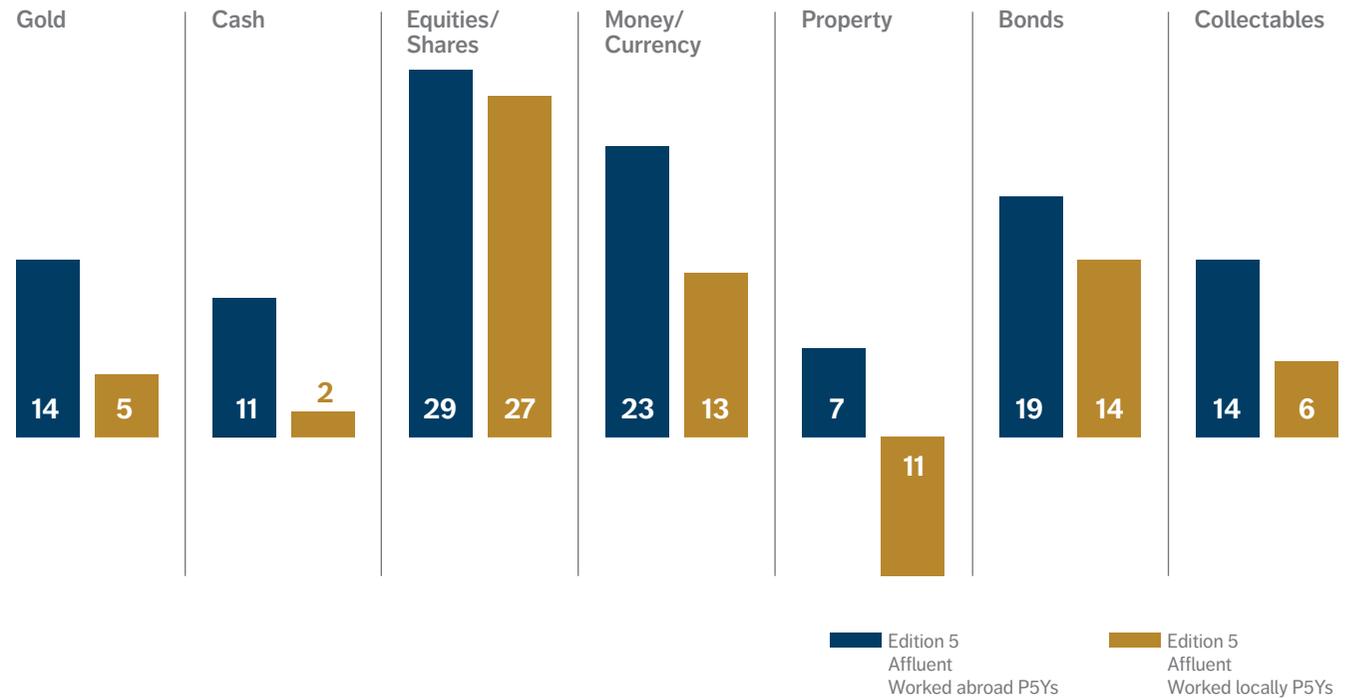
### Hong Kong asset class tracking



The Friends Investor Attitudes index is an average of all index scores for all categories. The index scores are calculated by first applying a balanced weighting to the rating figures, where 100 is most positive and -100 is the least positive, then dividing the sum of these weighted figures by the total number of respondents (excluding those who select 'Don't know').

## A closer look at asset classes continued

When looking at those who have worked abroad for at least six months in the last five years, the index is consistently higher across all asset classes than the general population, particularly so when it comes to property.



The Friends Investor Attitudes index is an average of all index scores for all categories.

The index scores are calculated by first applying a balanced weighting to the rating figures, where 100 is most positive and -100 is the least positive, then dividing the sum of these weighted figures by the total number of respondents (excluding those who select 'Don't know').

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# Investment outlook

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## Investment outlook

Globally mobile appear to be more optimistic.

Respondents who have lived abroad seem to have a bigger appetite towards investment across all asset classes, but particularly property and gold. However when looking at the whole investor base, people appear less keen on increasing their holding in gold. The globally mobile also appear to be more open to risk in investment.

Equities/Shares are still coming through as a key priority for investors – especially those who worked abroad.

### To what extent do you agree or disagree with the following statement?

	Q1 2014	Q3 2014	Work locally Q3 2014	Work abroad Q3 2014
Residential property is a good long term investment and will continue to go up	50	54	52	55
I still see good opportunities investing in equities/shares in 2014	62	59	58	60
Commercial property is a good long term investment and will continue to go up	55	49	44	52
I am willing to take a bit more risk with my investments now as returns on the 'safer' assets, such as cash or government bonds, are not giving me what I need	60	53	50	54
Given gold's unanticipated performance in 2013, I'm considering increasing my long term exposure to gold in 2014	38	32	22	36

Working locally – Those who have not worked abroad  
 Worked abroad – Those who have worked abroad for at least six months in the past five years

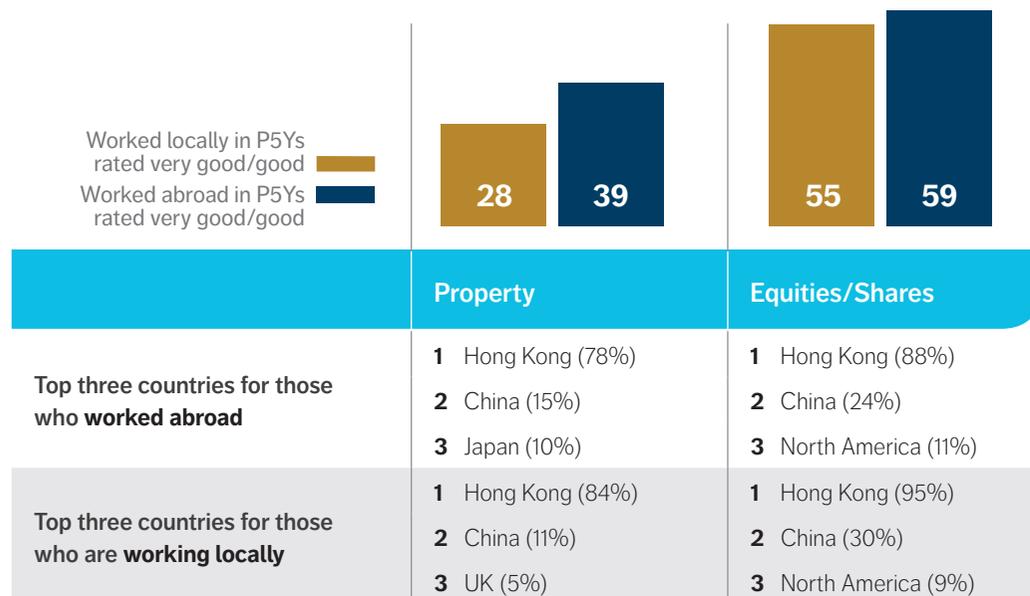
## Investment outlook continued

Globally mobile show a broader investment appetite.

Overall, significantly more globally mobile investors are investing in property compared to those who have not worked abroad.

Most of the investment for property, equities/shares and developed market bonds is primarily focused on the Hong Kong market. Those who worked abroad seem also to have more of their investment outside of Hong Kong compared to those who have not worked abroad in the last five years.

### Which country and currency you are investing in for the following:

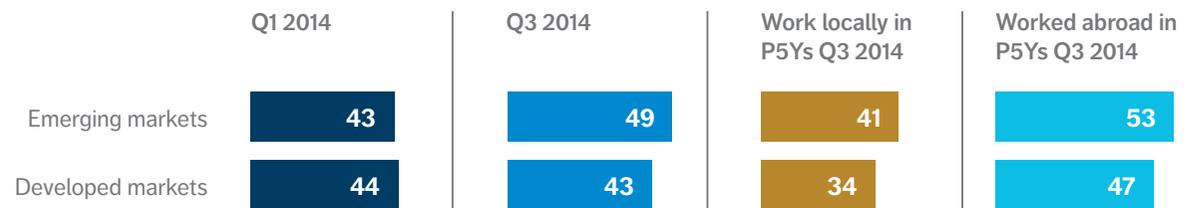


## Investment outlook continued

Emerging markets are expected to outperform.

There is an overall expectation for the performance from emerging markets to improve. Respondents who have worked abroad are more optimistic both in terms of emerging markets and developed markets, with around half of those respondents who have worked abroad expecting some degree of improvement compared to 41% and 34% for those who have not.

### Looking ahead over the next six months, how do you think the investment climate in developed and emerging markets will perform?



Working locally – Those who have not worked abroad

Worked abroad – Those who have worked abroad for at least six months in the past five years

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# Financial Confidence

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# Financial confidence

Significant drop in the proportion of those feeling insecure.

General sense of financial security in Hong Kong has dropped slightly by 2%, from 57% to 55%, over the last six months.

Those who feel insecure has also dropped by 11%, with the number feeling neutral increasing from 21% to 34%.

58% of the demographic who have worked abroad appear to have a significantly better sense of financial security compared to those who work locally (with 48% feeling secure).

## How financially secure do you feel?



Working locally – Those who have not worked abroad

Worked abroad – Those who have worked abroad for at least six months in the past five years

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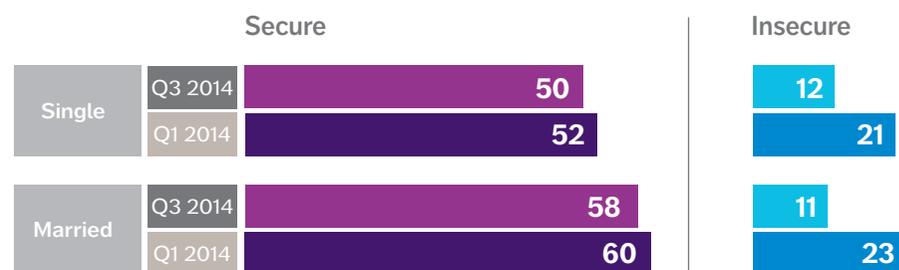
## Financial confidence continued

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Married people appear to feel more secure than those who are single.

Although sense of security is following a declining trend, respondents who are married demonstrate a greater sense of security than those who are single.

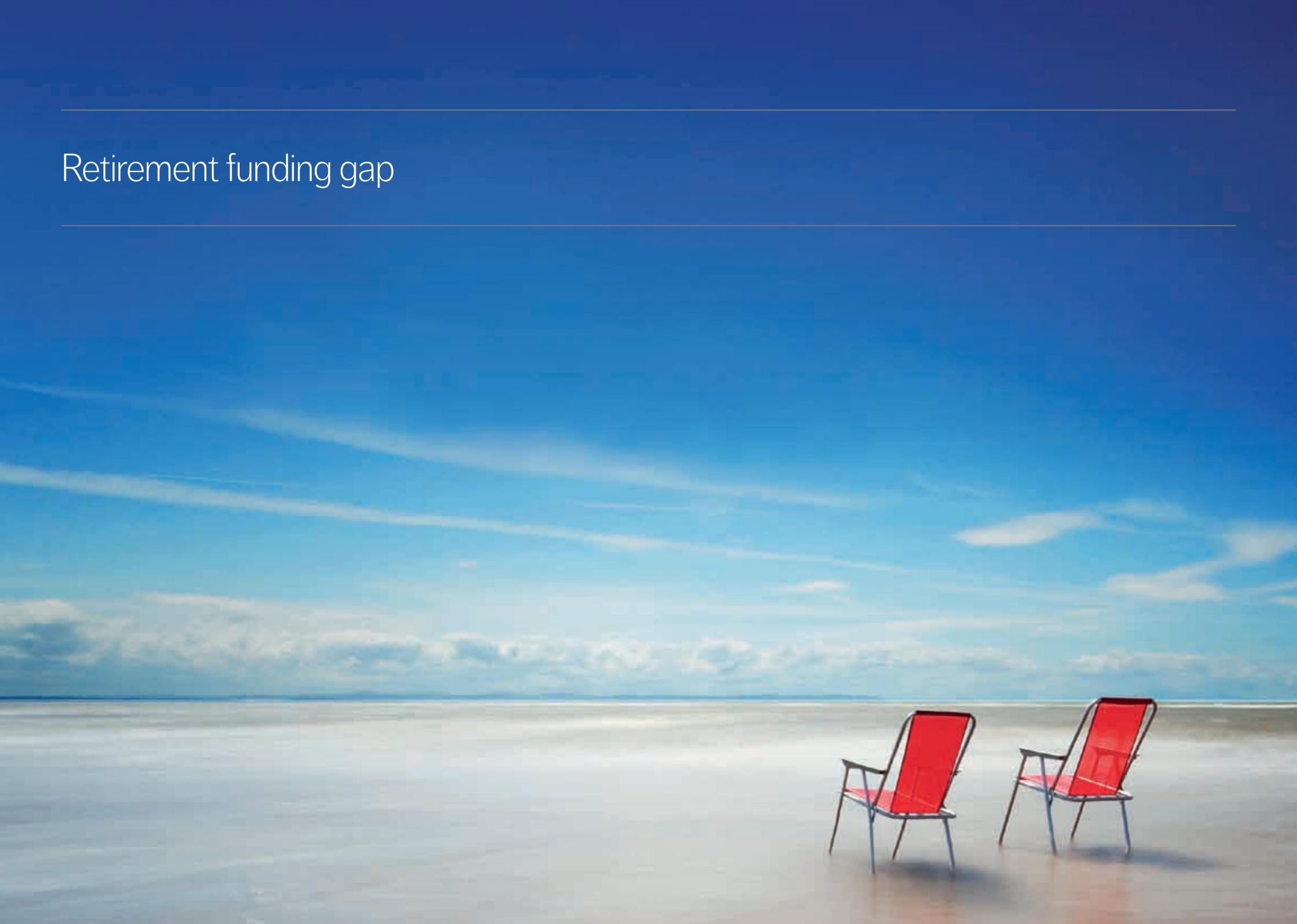
### How financially secure do you feel?



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# Retirement funding gap

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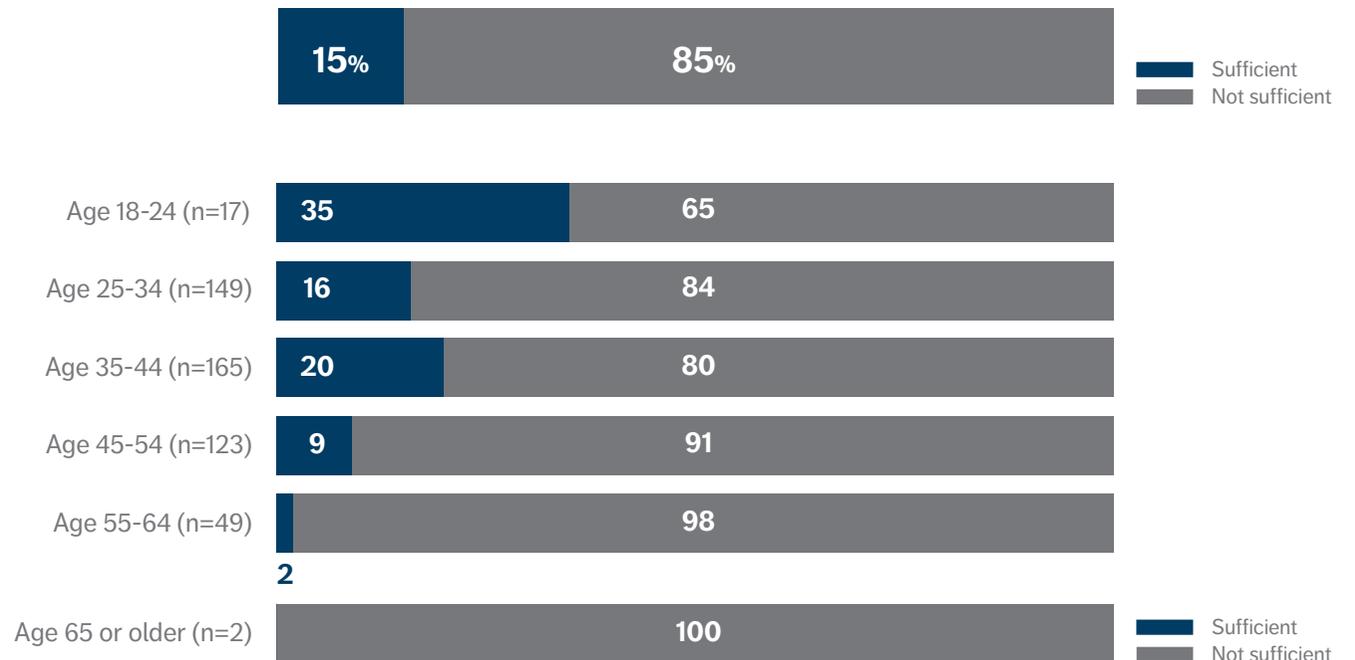
# Retirement funding gap

Retirement funding gap is a key concern.

85% of respondents believe they need to supplement MPF in order to be able to retire, suggesting that many feel they still face a retirement funding gap and this is a key concern for them.

The results of the survey further suggest that people's belief that the MPF will be sufficient for their retirement needs dwindles as their age increases.

## Do you think the Mandatory Provident Fund (MPF) is sufficient to meet your retirement needs?



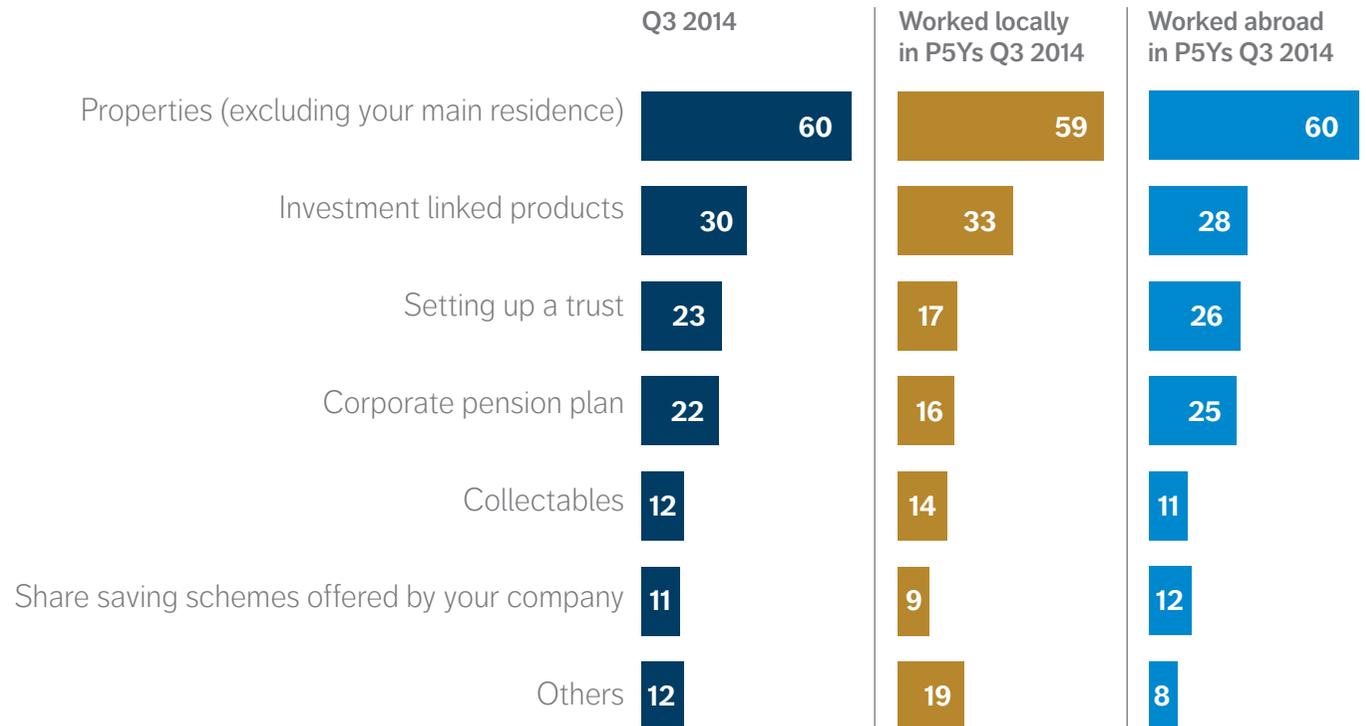
## Retirement funding gap continued

Properties and investment linked products top list of investment considerations.

More than half of those interviewed will look into property investment to sustain them in retirement.

Investment linked products are another alternative with 30% of total respondents agreeing it will help with retirement, with that number increasing to 33% for investors who have not worked abroad in the last five years.

### Would you consider investing in any of the following to ensure that you have sufficient funds to meet your retirement needs?



Working locally – Those who have not worked abroad

Worked abroad – Those who have worked abroad for at least six months in the past five years

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## Retirement funding gap continued

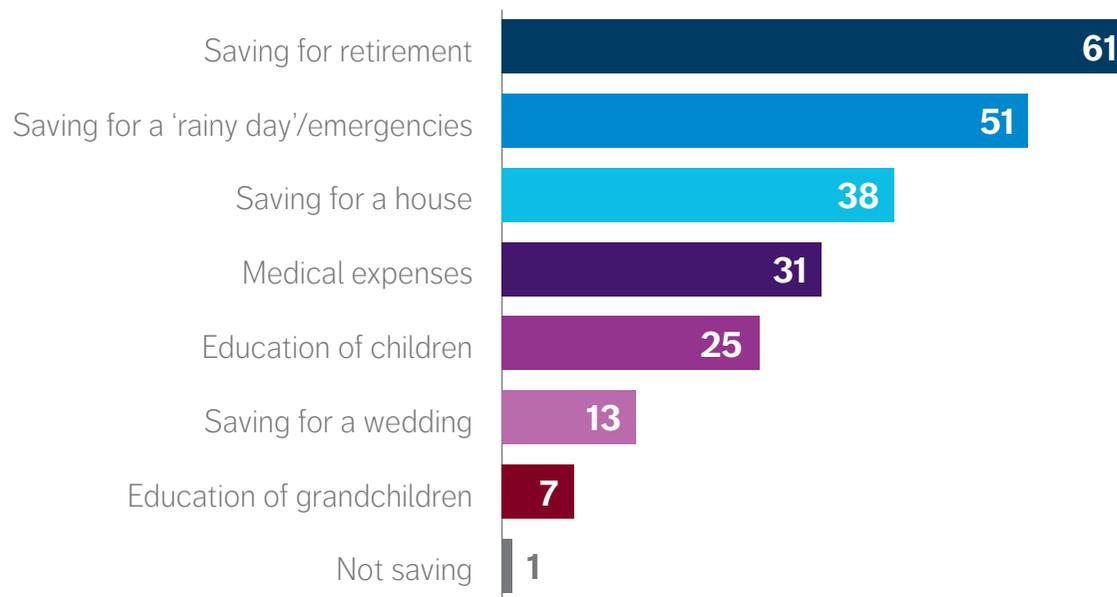
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Retirement and emergencies remain primary focus.

Saving for retirement and emergency funds are the top two key savings focus areas for respondents. 57% of customers interviewed had made these their primary priority.

Other commitments such as saving for children's education and wedding appear significantly further down people's list of priorities.

### Which of the following are you currently saving for?



## Retirement funding gap continued

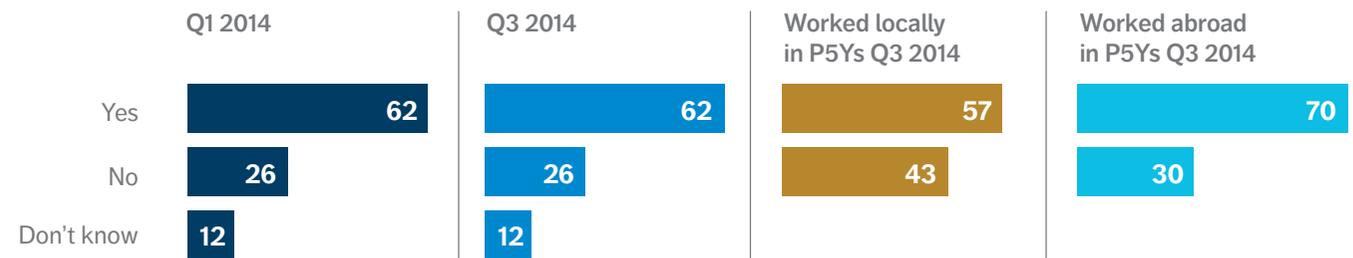
Globally mobile believe strongly in insurance.

Importance of insurance remains front of mind among respondents with 62% of the total respondents seeing it as a way of preserving and accumulating wealth.

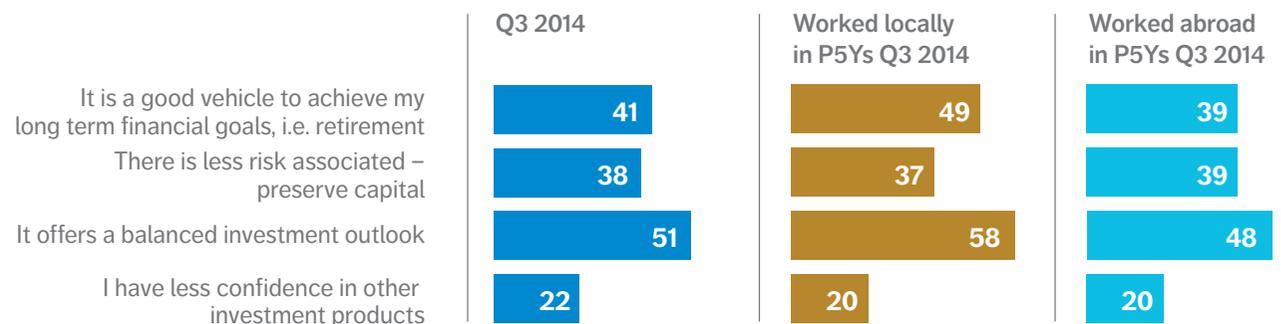
This figure jumps among those who lived and worked abroad, where 70% of those respondents who worked abroad see the increasing importance of insurance as a means to preserving and accumulating wealth. 46% of the globally mobile have actually taken up life insurance and 36% have taken up health insurance through insurers.

The key reason cited is that it offers a balanced investment outlook and help with long term planning for the retirement years.

### Since the global financial crisis of 2008, do you think insurance as a means of preserving and accumulating wealth is more important to you now compared to five years ago?



### Why is insurance more important now as a means of preserving and accumulating wealth?



Working locally – Those who have not worked abroad

Worked abroad – Those who have worked abroad for at least six months in the past five years

# Global mobility – Hong Kong

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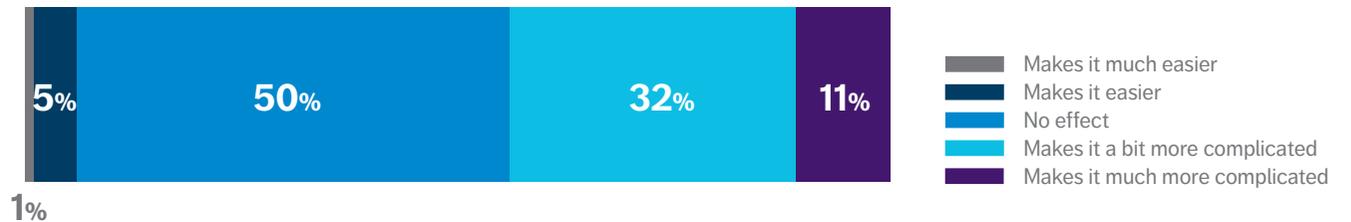


# Global mobility – Hong Kong

Globally mobile face more challenges when moving abroad.

The report suggests that expats experience greater pressure when it comes to managing their finances, with respondents saying that setting up financial plans becomes more complicated and more stressful at 44% and 47%, respectively.

## As an expat/while living abroad, how would you define the process of setting up your financial plans?



## As an expat/while living abroad, how would you define planning your finances/investments?



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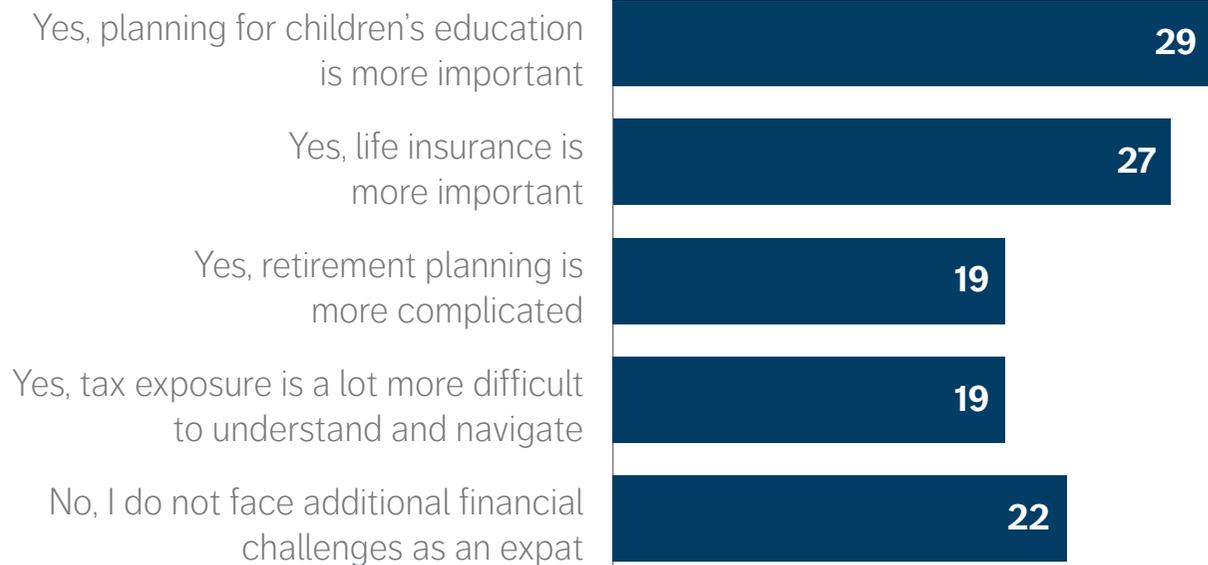
## Global mobility – Hong Kong continued

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Respondents indicate that they face more financial challenges as expatriates.

29% of respondents say planning for their children's education is an additional financial challenge when moving abroad, and this rises to more than a third (36%) for parents. 27% say life insurance is also more important and again, this rises for parents. 19% of the respondents say tax exposure is more difficult to understand and navigate as an expat.

### Do you face any additional financial challenges as an expat?



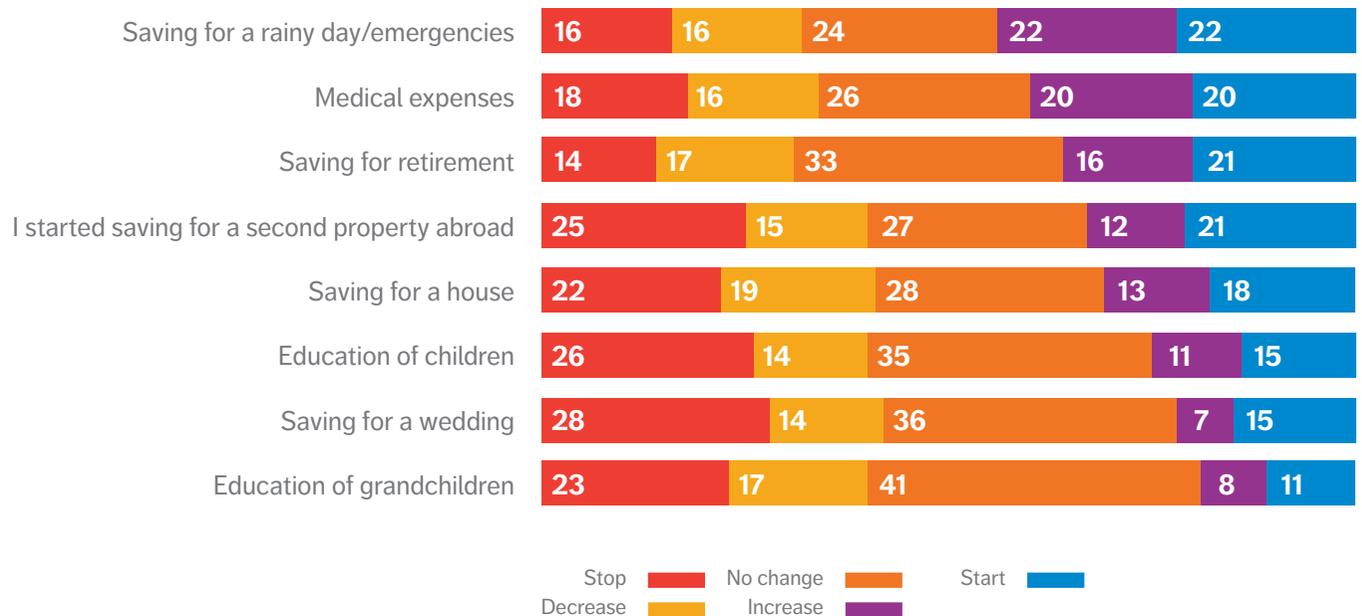
## Global mobility – Hong Kong continued

### Financial priorities change when moving overseas.

The shift in their feeling and perception could be due to the changes in their savings/investment priorities.

Not surprisingly, 44% and 40% of the respondents started or increased the amount they save for a rainy day or emergencies and for medical expenses, respectively. Furthermore, over one third of the respondents increased or started saving for retirement.

### How did your savings/close up investment priorities change during the time that you were living abroad?



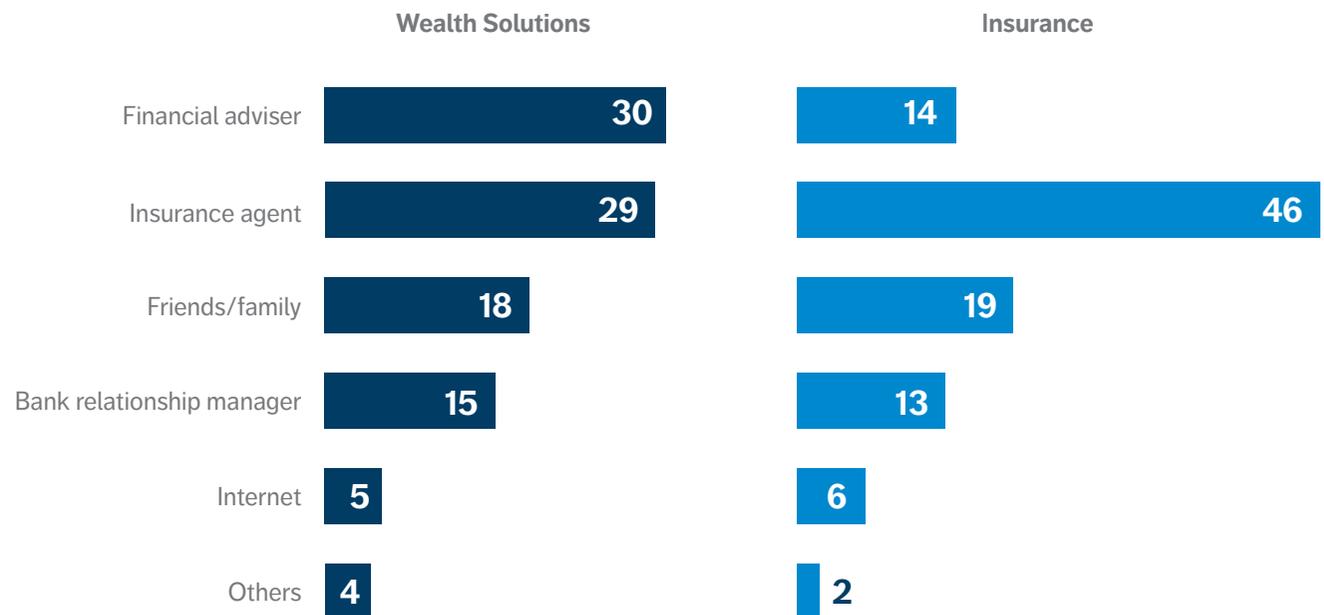
## Global mobility – Hong Kong continued

Financial advisors and insurance agents most trusted for advice.

Financial advisers still listed as most trusted advisors when it comes to investing in insurance and wealth management solutions.

Apart from professional financial experts, friends/family also play a big role in influencing a fifth of the respondents.

### Who do you trust most for advice when you buy your...



## Global mobility – Hong Kong continued

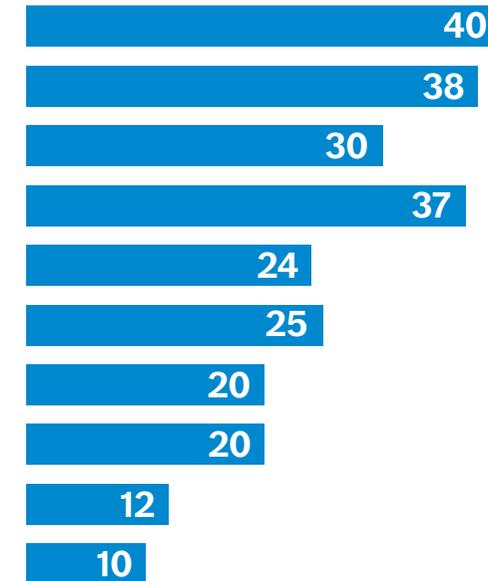
Trust and reliability remain key requirements.

Trustworthiness in terms of brand and financial strength and expert financial advice are among the primary influential factors influencing the decisions of investors.

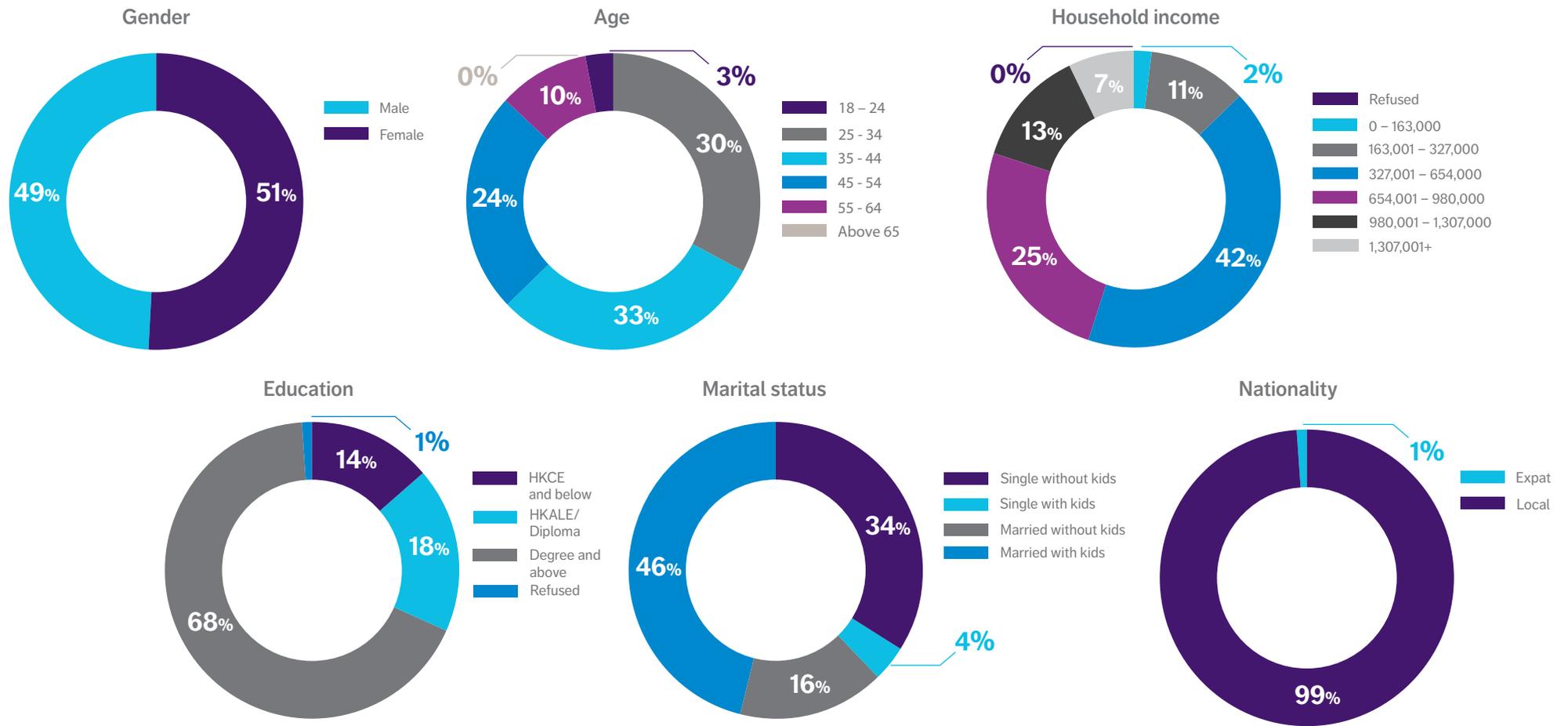
### What would influence your choice of life insurance provider?



### What would influence your choice of wealth management solutions provider?



# Survey demographics



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Singapore

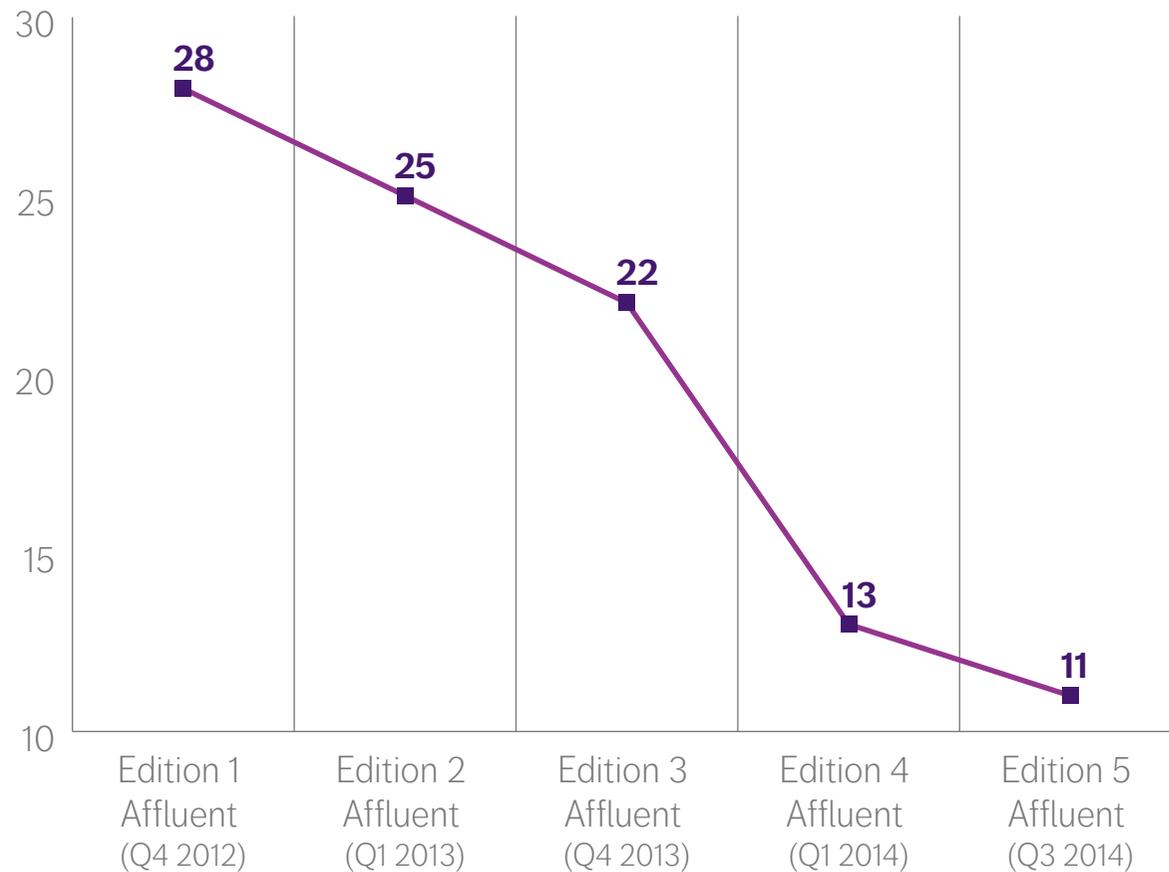
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## Findings at a glance – Singapore

Singapore index score dropped by 2 points to 11 in Q3 2014 but respondents remain positive.

Respondents are taking a more cautious approach towards the current investment climate compared to Hong Kong.



The Friends Investor Attitudes Index is an average of all index scores for all categories.

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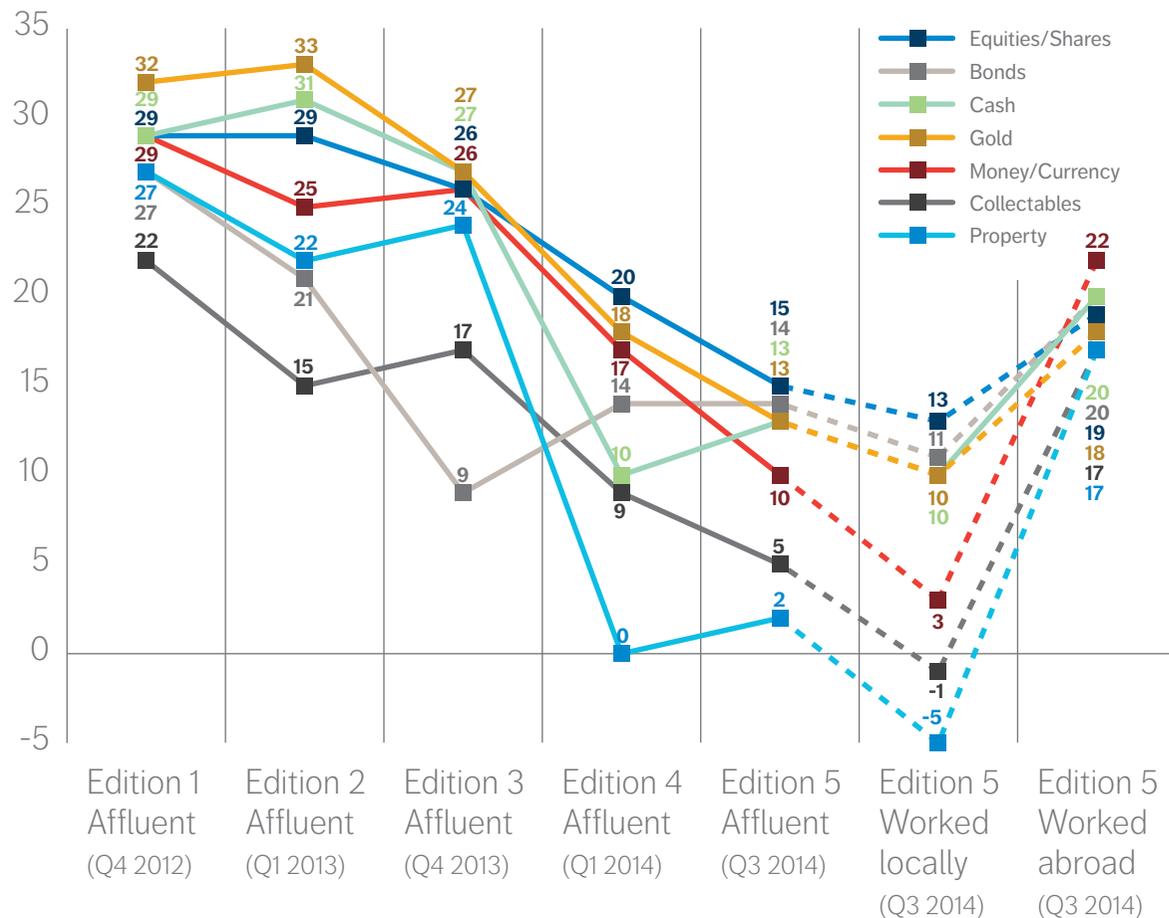
# A look at asset classes

There has been a slight uptick in sentiment towards Cash and Property.

As affluent respondents in Singapore generally appear to be a little more cautious about the current investment climate, Cash has increased by 3 points from 10 in Q1 2014 to Q3 2014.

And, over one third still thinks that it is a very good/good time to invest in Property.

### Singapore Investor Attitudes Index



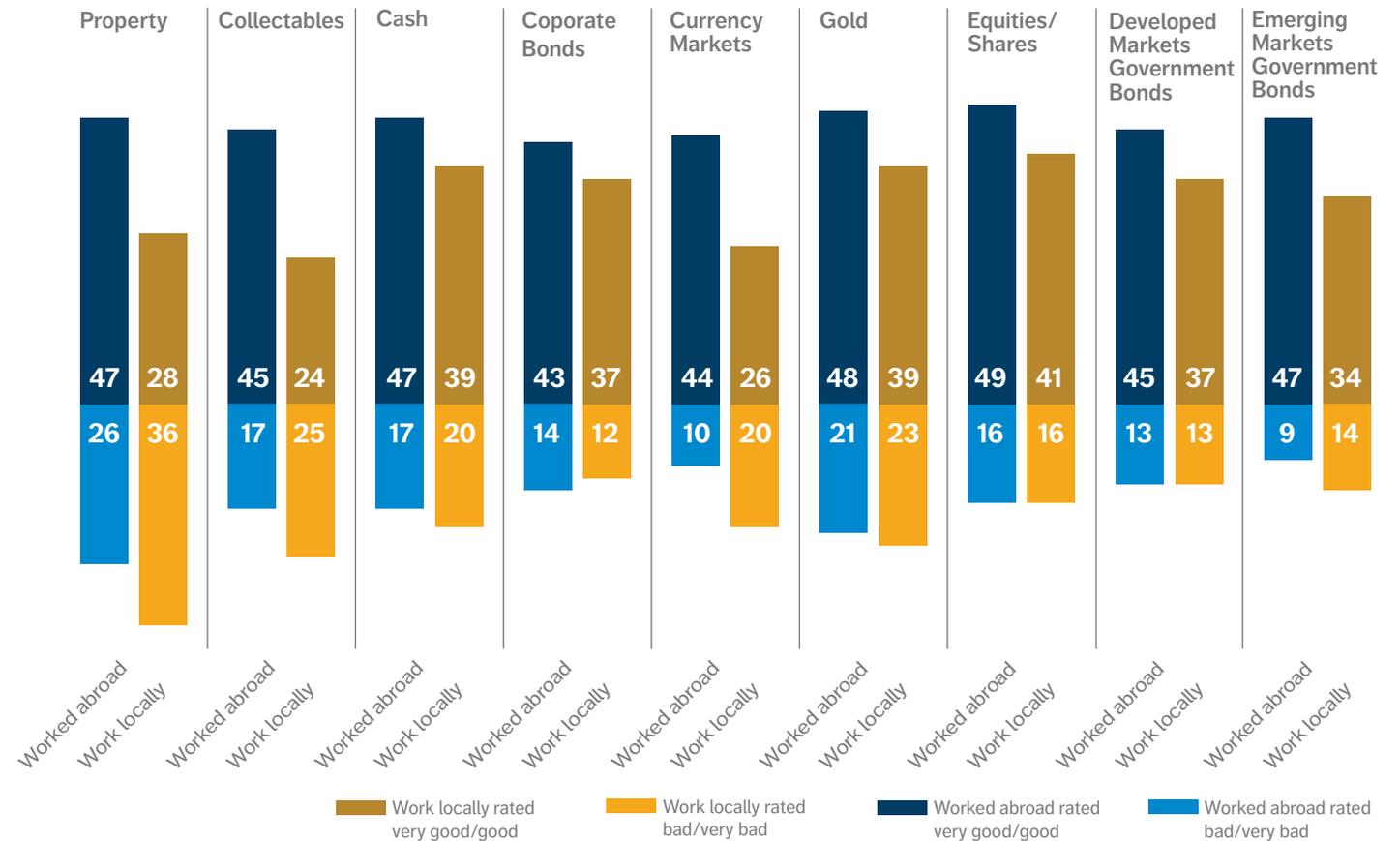
The index scores are calculated by first applying a balanced weighting to the rating figures, where 100 is most positive and -100 is the least positive, then dividing the sum of these weighted figures by the total number of respondents (excluding those who select 'Don't know').

## A look at asset classes continued

A significantly higher investment appetite across all asset classes for respondents who have worked abroad.

Respondents who have worked abroad marked a much higher investment appetite across asset classes and 57% are willing to take a bit more risk with their investment compared to 47% who work locally.

### Do you think now is a very good, good, neither good nor bad, bad or very bad time to invest in the following categories?

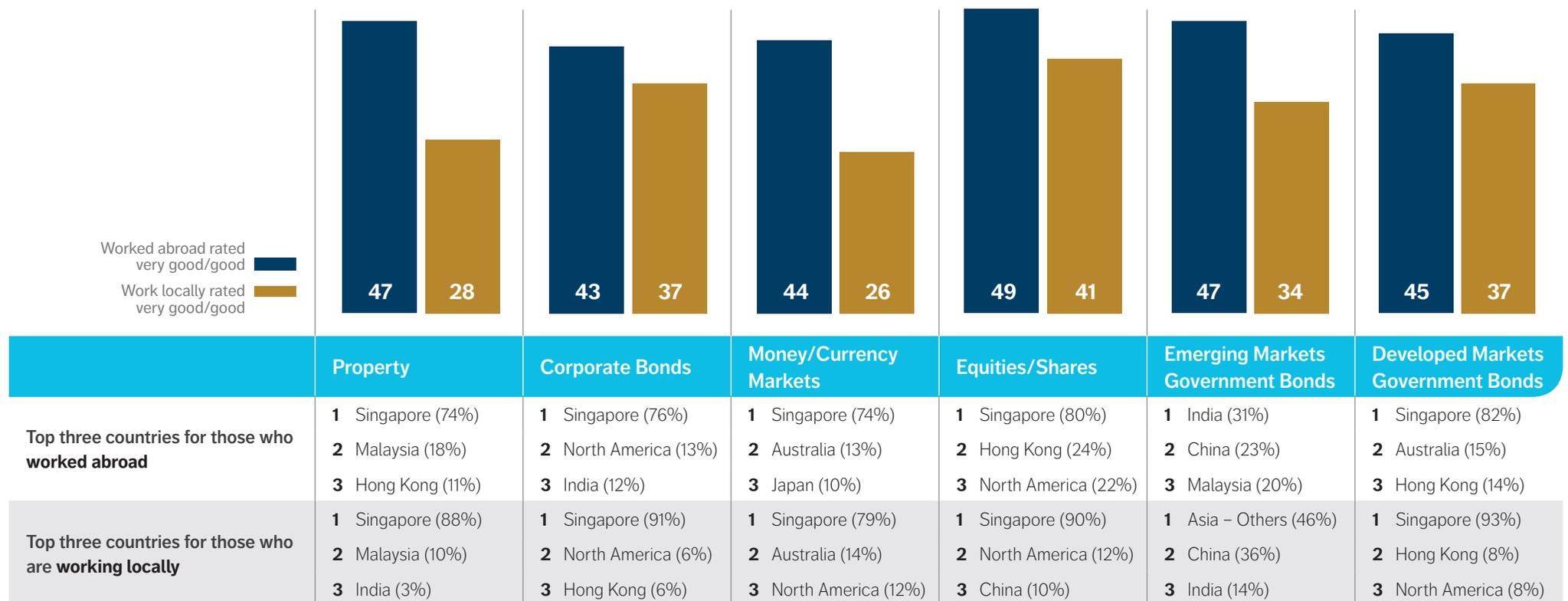


## Opportunities in other markets

Despite respondents still perceiving Singapore as the key market for their investment, Australia and Hong Kong are also up and coming as alternative markets for investment.

Respondents who have worked abroad have a higher appetite to invest cross-border compared to those who work locally.

### Which country and currency you are investing in for the following:

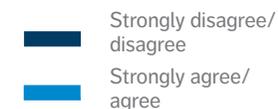
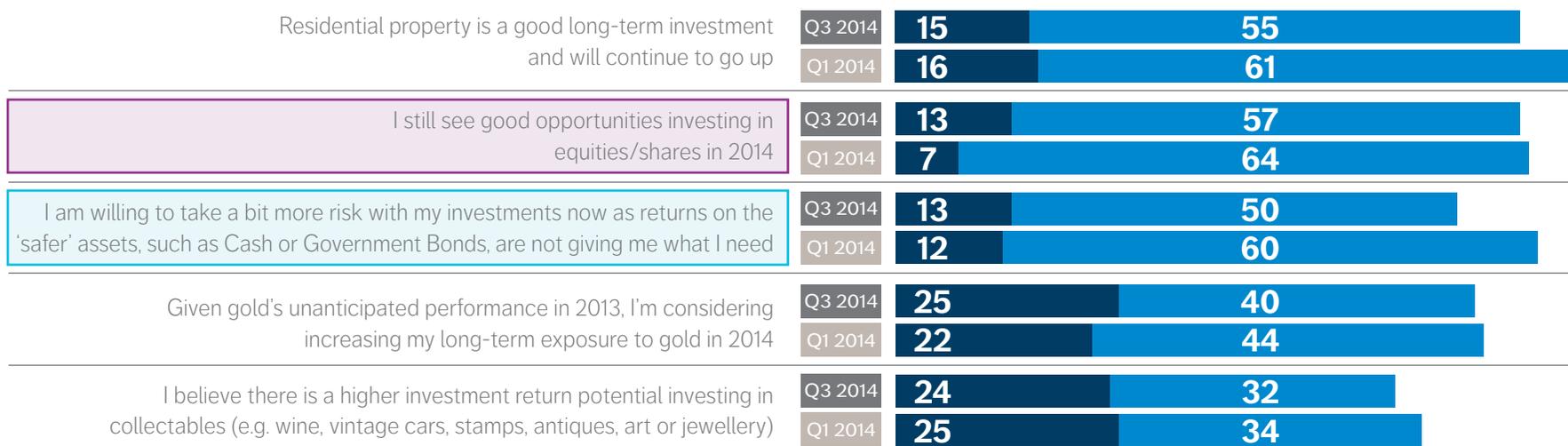


# Investment outlook

10% drop in respondents' willingness to take a little bit more risk with their investment.

Compared to the last edition (Q1 2014), respondents are generally more cautious about the current investment climate. Nevertheless, 57% still see good opportunities investing in equities/shares in 2014.

## To what extent do you agree or disagree with the following statement?



## Investment outlook continued

63% of respondents who have worked abroad in the last five years are more confident in investing in Property and Equities/Shares compared to 50% and 54% who work locally.

### To what extent do you agree or disagree with the following statement?

	Q1 2014	Q3 2014	Work locally Q3 2014	Worked abroad Q3 2014
Residential property is a good long-term investment and will continue to go up	61%	55%	50%	63%
I still see good opportunities investing in equities/shares in 2014	64%	57%	54%	63%
I am willing to take a bit more risk with my investments now as returns on the 'safer' assets, such as cash or government bonds, are not giving me what I need	60%	50%	47%	57%
Given gold's unanticipated performance in 2013, I'm considering increasing my long-term exposure to gold in 2014	44%	40%	35%	49%
I believe there is a higher investment return potential investing in collectables (e.g. wine, vintage cars, stamps, antiques, art or jewellery)	34%	32%	27%	42%

The scores above represent the percentage of respondents who agree/strongly agree.

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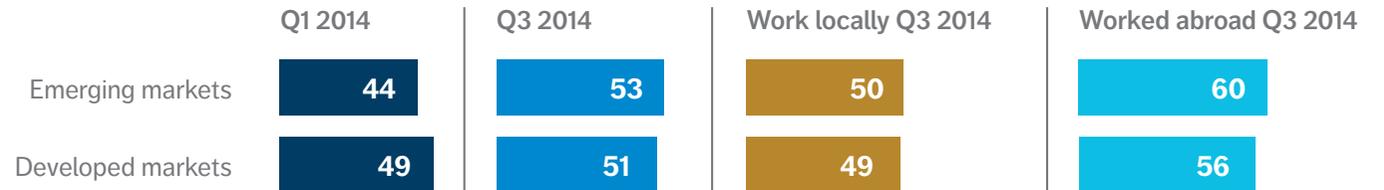
## Investment strategy

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Over 50% of respondents think the investment climate in developed and emerging markets will perform better over the next six months compared to Q1 2014.

The outlook is higher among those who have worked abroad.

### Looking ahead over the next six months, how do you think the investment climate in developed and emerging markets will perform?



# Financial confidence

The financial confidence has trended up slightly. However, less than half of the respondents feel they are financially secure.

A significantly higher proportion of respondents who have worked abroad feel more financially secure. 55% of respondents who have worked abroad have expressed they are financially secure/very secure compared to 39% who work locally.

## How financially secure do you feel?



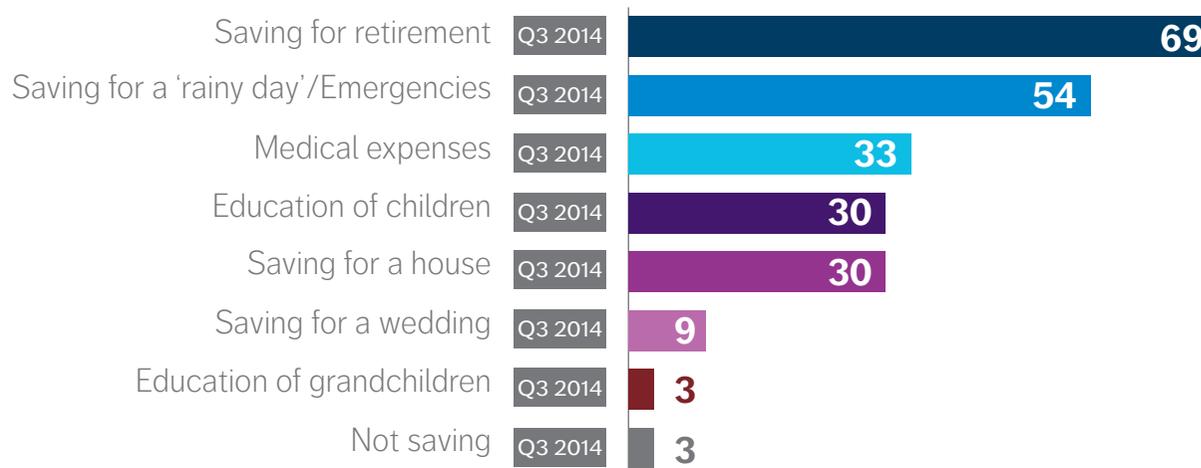
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## Saving priorities

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Saving for retirement, saving for a 'rainy day'/emergencies and medical expenses are the top three priorities which have not changed compared to the last edition (Q1 2014).

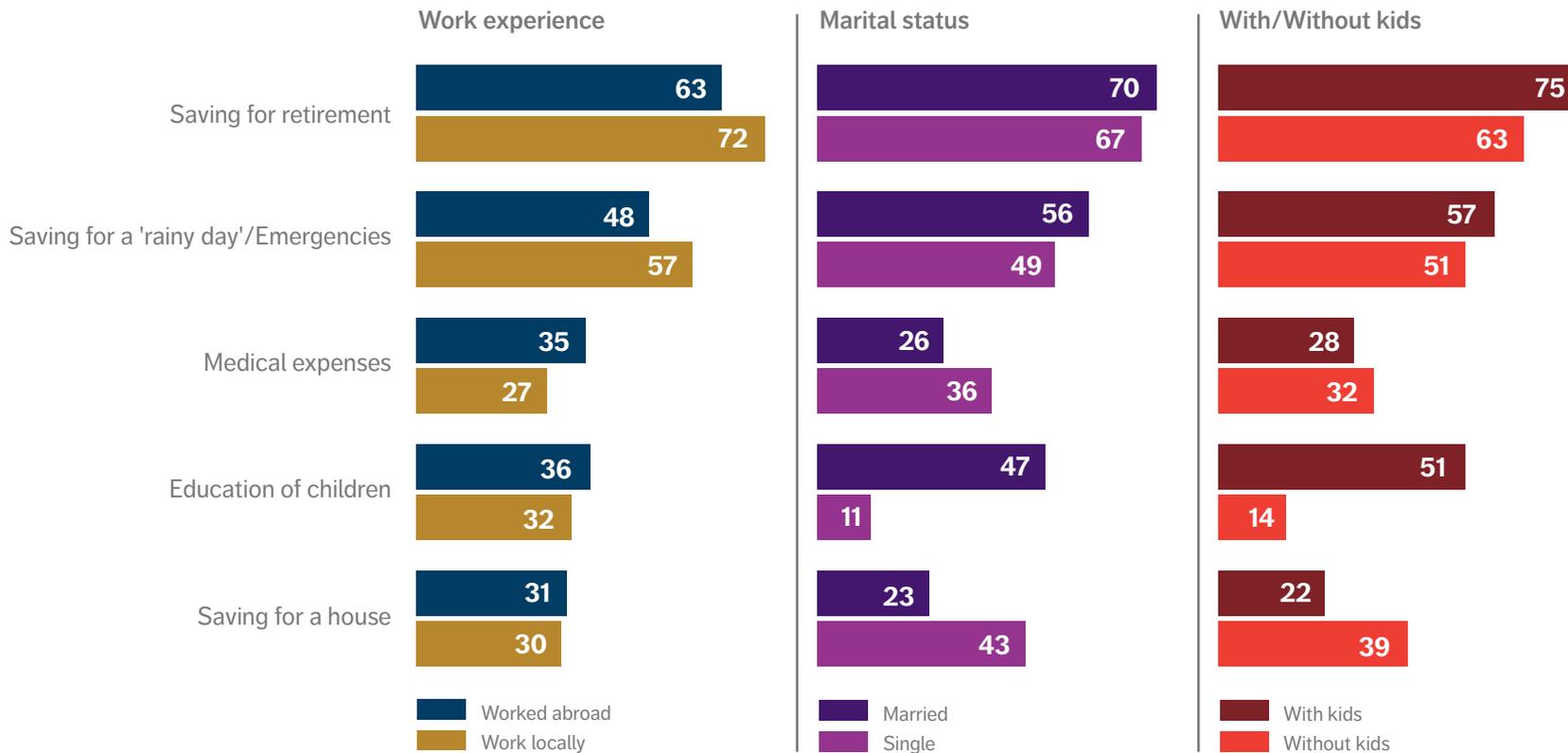
### Which of the following are you currently saving for?



## Saving priorities continued

Saving priorities vary across different customer profiles as well as life stages.

### Which of the following are you currently saving for?

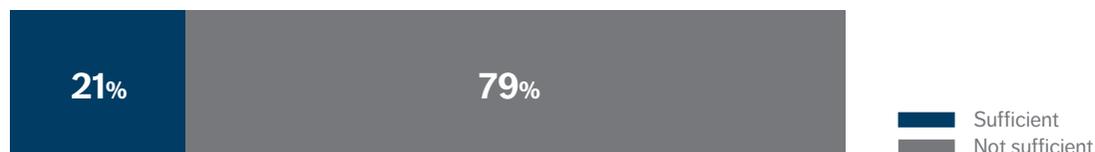


# Retirement

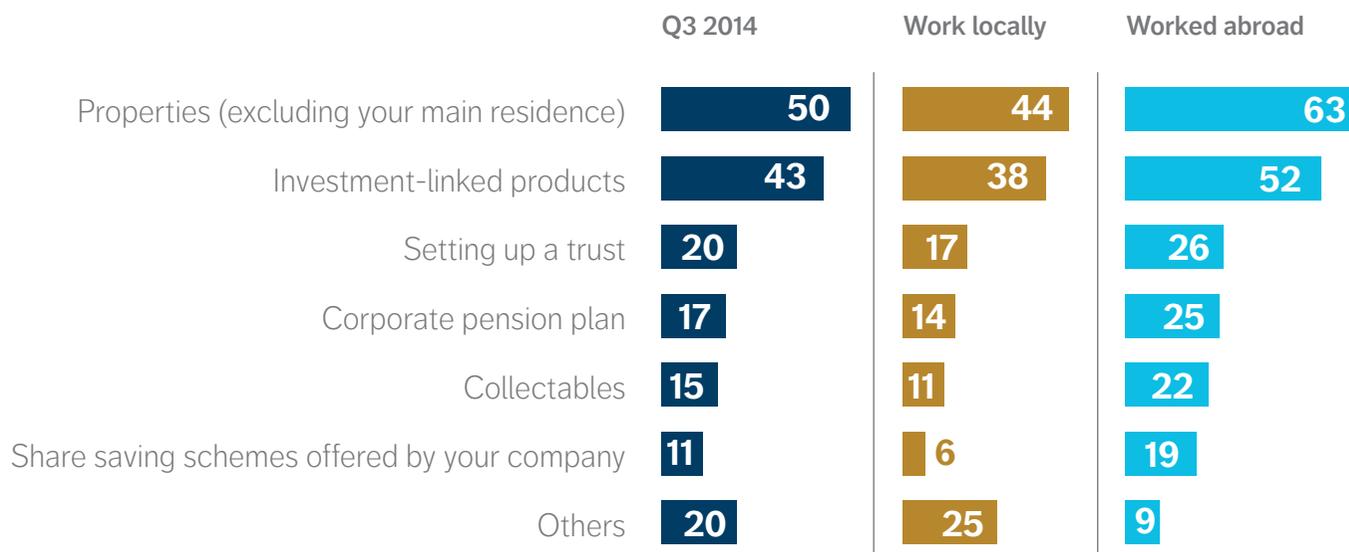
While CPF is a good foundation for retirement, respondents recognised the importance of planning ahead for their retirement and to ensure they have sufficient funds for their golden years.

Respondents stated that property and investment linked products are the top two investment options to accumulate wealth to meet their retirement needs.

## Do you think the Central Provident Fund (CPF) is sufficient to meet your retirement needs?



## Would you consider investing in any of the following to ensure that you have sufficient funds to meet your retirement needs?

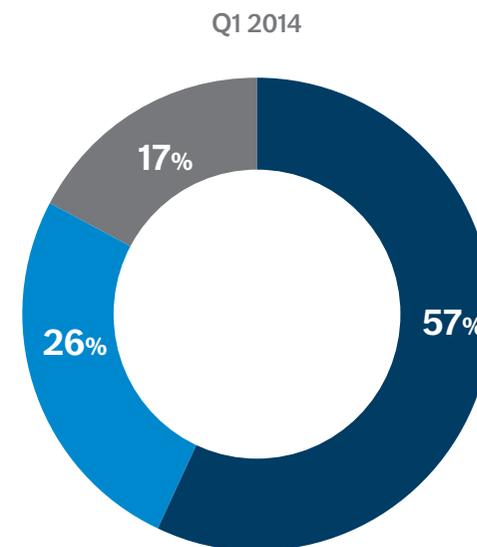
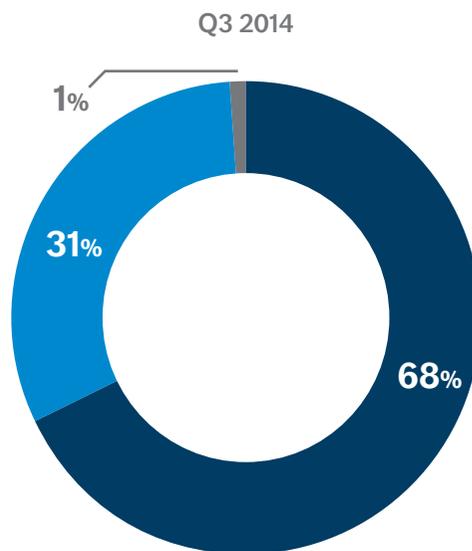


## Importance of insurance

68% of respondents agree that insurance as a means of preserving and accumulating wealth is much more important now compared to five years ago.

More than three quarters who have worked abroad in the last five years believe that insurance today plays a more important role than five years ago.

**Since the global financial crisis of 2008, do you think of insurance as a means of preserving and accumulating wealth as being more important to you now compared to five years ago?**



Yes  
No  
Don't know

Yes  
No  
Don't know

**75%**

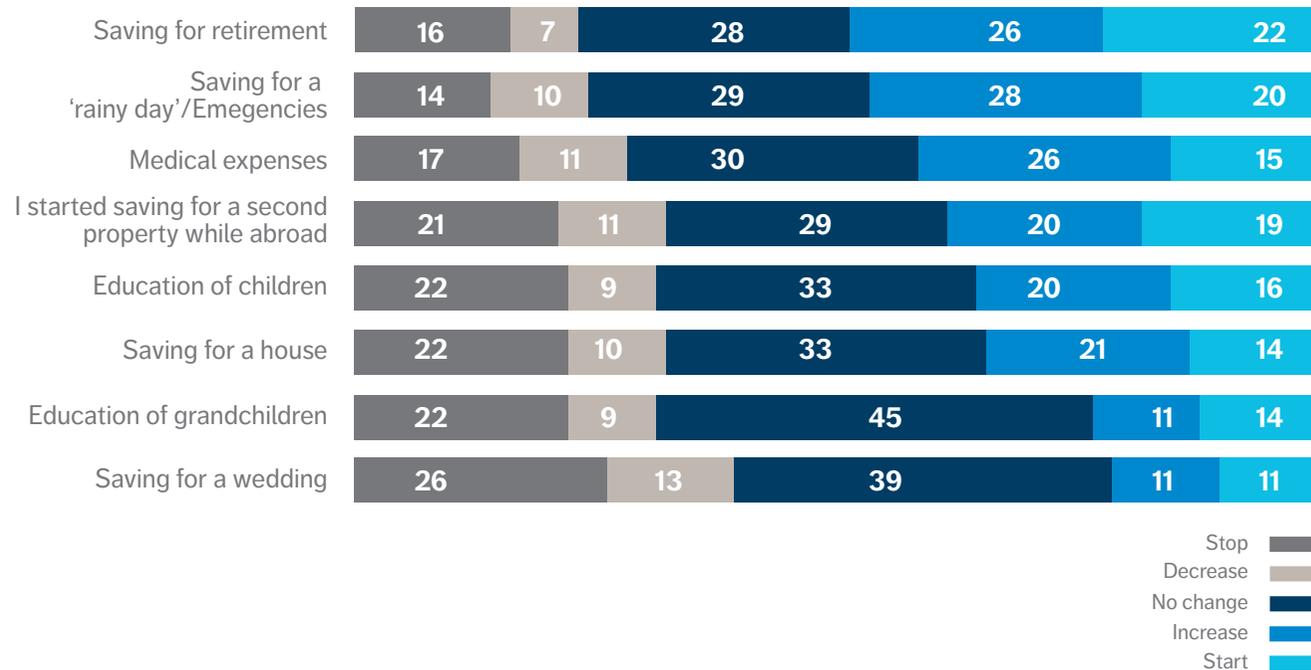
of respondents who worked abroad agree about the growing importance of insurance

**63%**

of respondents who work locally agree about the growing importance of insurance

## A closer look at global mobility

### How did your savings/ investment priorities change during the time that you were living abroad?

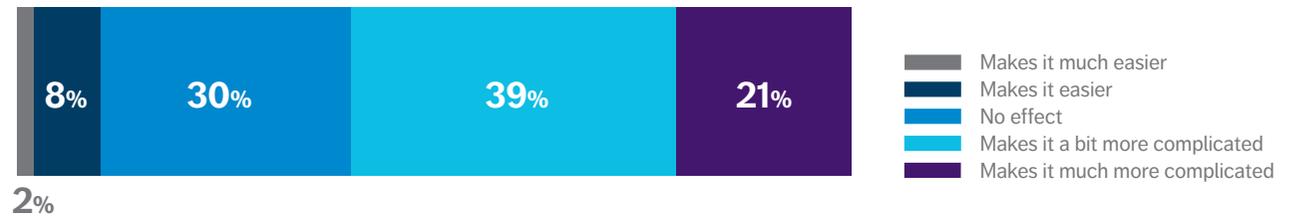


## A closer look at global mobility continued

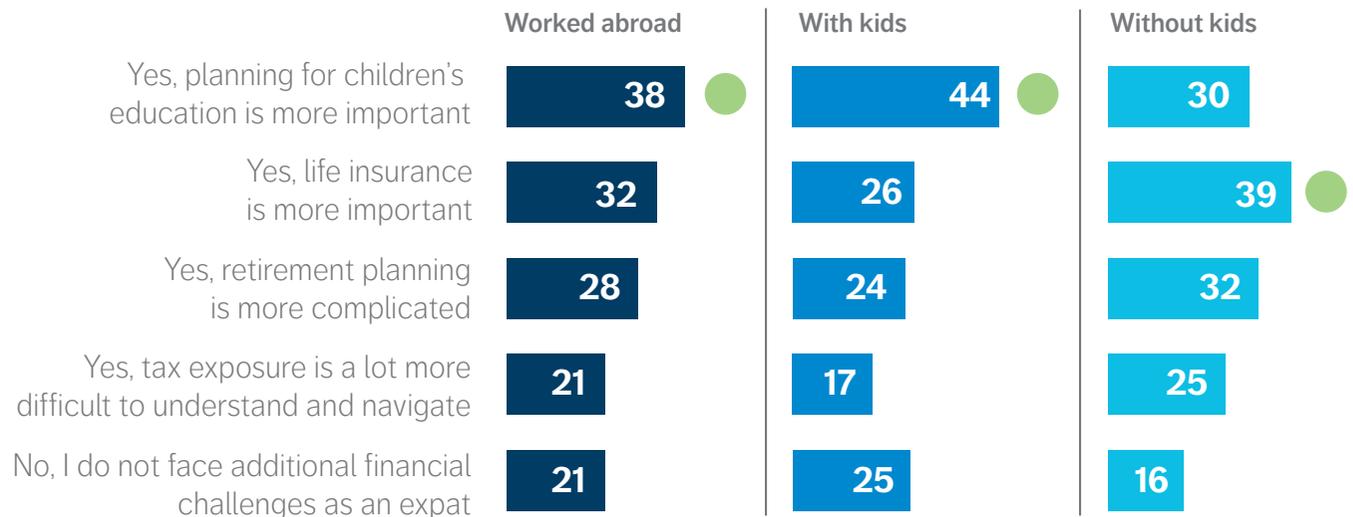
Majority of respondents who worked abroad found the process of setting up their financial plans difficult, with 60% expressing that it was complicated.

For those with kids, education planning is by far the greatest challenge they face while working abroad.

### As an expat/While living abroad, how would you define the process of setting up your financial plans?



### Do you face any additional financial challenges as an expat?



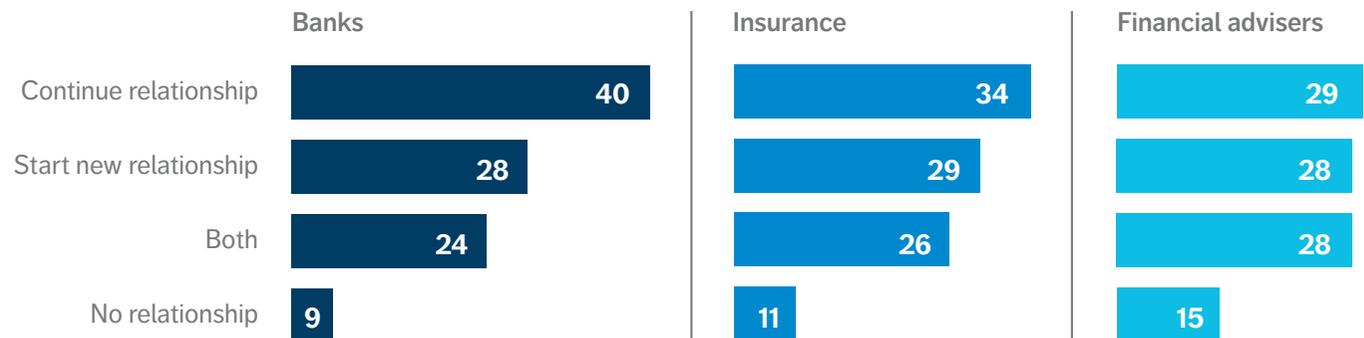
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## A closer look at global mobility continued

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Banks and insurance companies, backed by a larger infrastructure and ability to support their customers abroad, are more likely to retain their customers.

### What are the changes you made in relation to your provider with regards to your own financial needs?

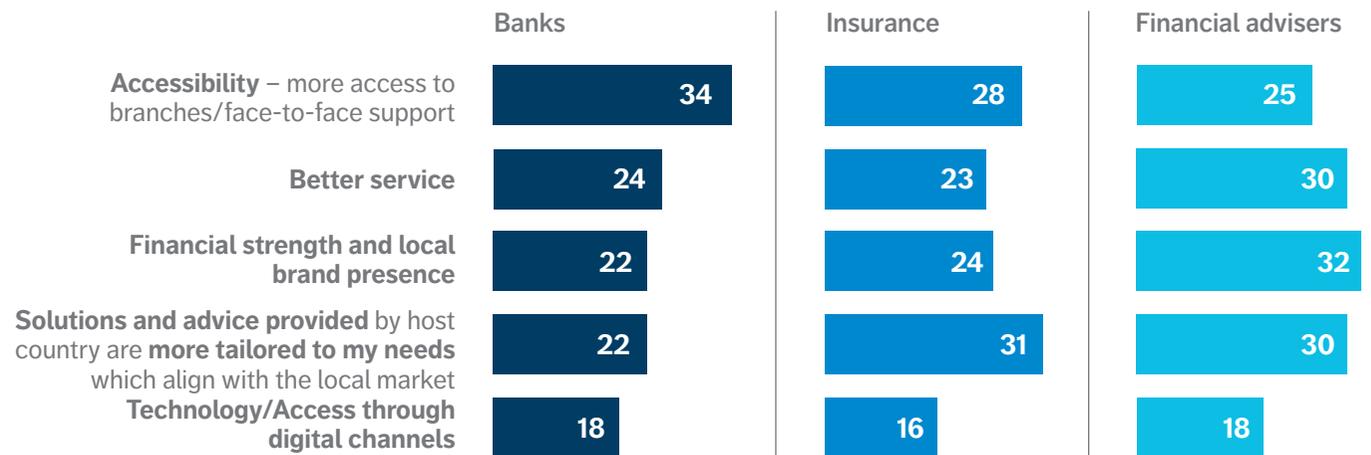


## A closer look at global mobility continued

Respondents expressed that a lack of face-to-face support and tailored advice were among key reasons cited for switching provider from their home country to their host country.

**Please specify your reason(s) for switching main provider from the home country to the host country.**

**Among those who started a new relationship or continued with an existing relationship:**



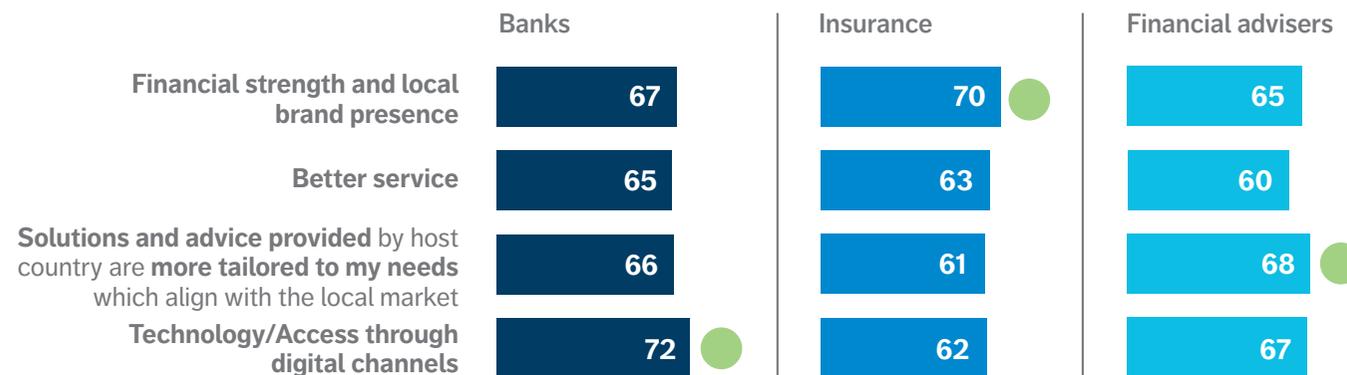
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## A closer look at global mobility continued

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**In which areas has your main provider in your home country exceeded expectations/fallen short since your move abroad?**

**Among those who continued with existing provider:**



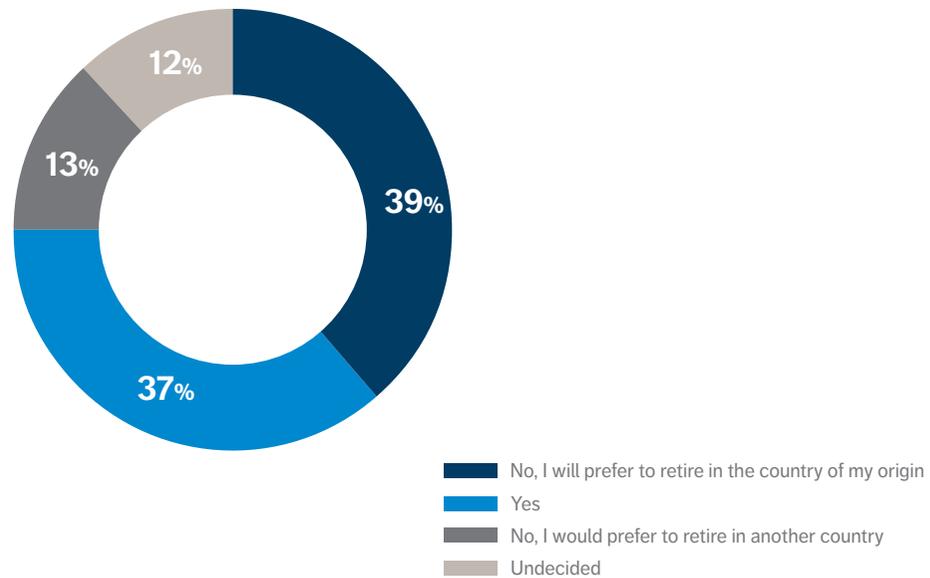
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## A closer look at global mobility continued

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Only 39% of the Singapore respondents who have worked abroad for more than six months in the last five years will consider retiring back in their home country.

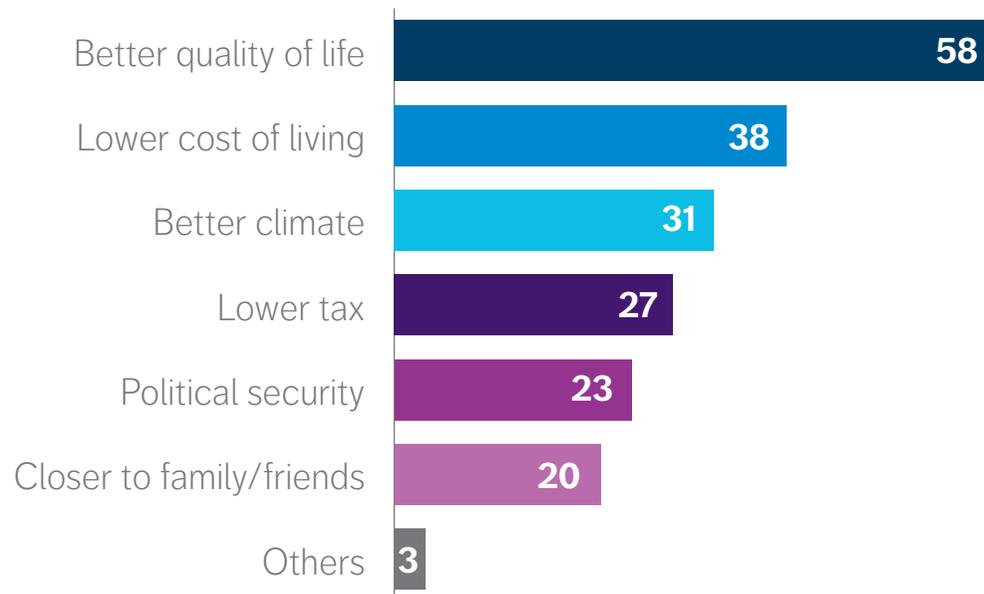
### Now thinking about the country where you lived abroad, would you consider retiring there?



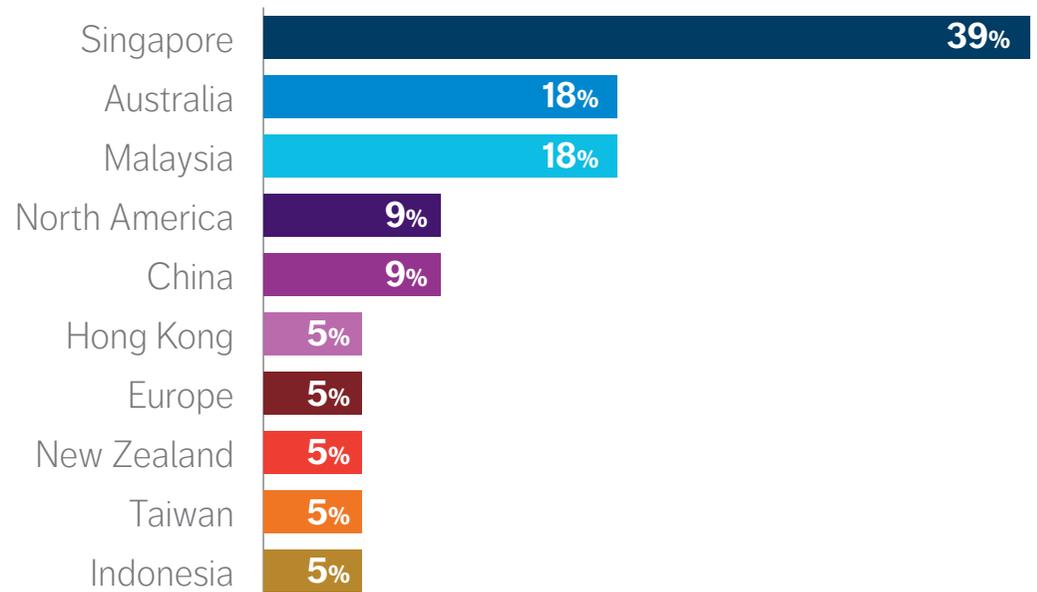
## A closer look at global mobility continued

Better quality of life and lower cost of living were cited as key reasons for choosing to retire in other countries with Australia and Malaysia coming out as popular locations to retire.

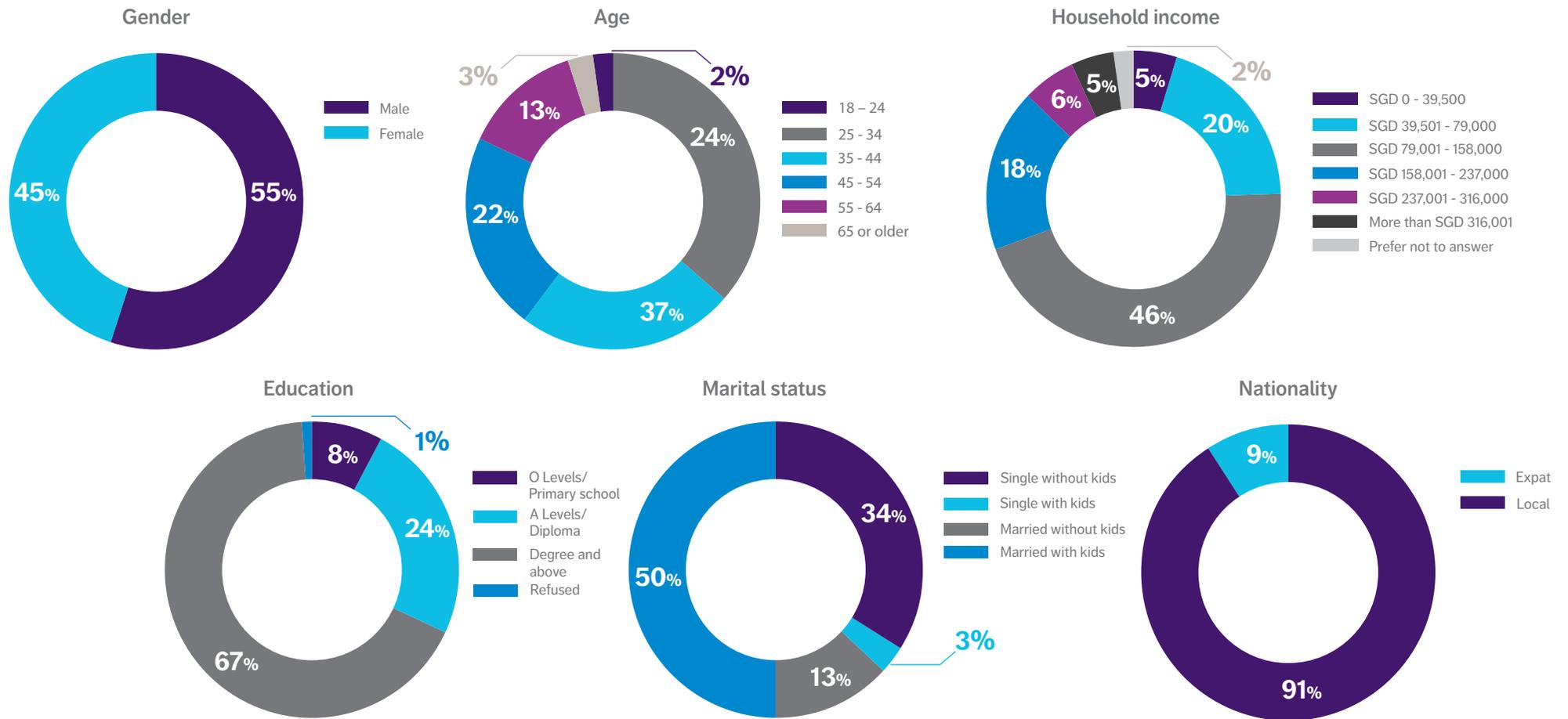
### What are the key reason(s) for choosing to retire in the country where you have lived abroad?



### Top preferred countries to retire in



# Demographics



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Incorporated company limited by shares and registered in England and Wales, number 4096141.

Friends Life Limited is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.  
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Provider of life assurance and investment products.

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Authorised by the Office of the Commissioner of Insurance to conduct long-term insurance business in Hong Kong.

Registered in the United Arab Emirates as an Insurance Company (Registration No. 76).  
Registered with the Ministry of Economy as a foreign company (Registration No. 2013):  
Registration date 19 April 2007.

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