WEALTH-X
10 YEARS
APPLIED WEALTH INTELLIGENCE

A DECADE OF WEALTH

A REVIEW OF THE PAST 10 YEARS IN WEALTH AND A LOOK FORWARD TO THE DECADE TO COME

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FOREWORD

Wealth-X has come a long way since it was founded from a concept, a couch and a whiteboard in a New York City apartment in 2010.

At a time when 'big data' were just buzzwords, our co-founders, Mykolas Rambus and David Friedman, saw an opportunity to provide organizations with unique intelligence that would empower them to uncover, understand and engage with the world's wealthiest individuals.

Over the past 10 years, Wealth-X has established itself firmly as the leader in data-driven wealth intelligence, starting with a focus on ultra high net worth (UHNW) individuals — those with $30m or more in net worth – and then, in 2018, expanding that dataset to include very high net worth (VHNW) individuals — those with between $5m and $30m in net worth. Today, we have expanded our global database to nearly two million records of wealthy individuals — and this is still growing every day.

From this robust dataset, we have produced a series of market-leading publications: the *World Ultra Wealth Report, Billionaire Census* and, most recently, the *Very High Net Worth Handbook*. In addition to these flagship reports, we have produced thought leadership that investigates the wealth trends most relevant to our clients — from university alumni wealth and philanthropic giving to wealth transfer and luxury spending.

To mark the occasion of our 10th anniversary, we are pleased to present you with *A Decade of Wealth*. This report documents how global wealth has changed over the past decade, with a look to how we anticipate it evolving over the next 10 years, taking into account the potential impact of Covid-19 on the wealthy.

When we first started planning for our 10th anniversary celebrations, including the launch of this report, we could not have envisioned that we would all be working from our respective homes in the midst of a global pandemic. Our global team has been incredibly nimble in these trying times, working collaboratively to provide our clients with a seamless experience and a high level of service. I would like to take this opportunity to thank each of them for their diligence and camaraderie throughout these trying times.

We hope that you find the reflections from *A Decade of Wealth* insightful and we wish you and yours good health and safety.

Sincerely,

Richard Green
Wealth-X CEO

INTRODUCTION

To commemorate Wealth-X's 10th anniversary, we are pleased to present *A Decade of Wealth*. This special report takes a longer perspective than the titles in our annual flagship report series[1], providing a more detailed examination of developments in wealth since 2010 (and occasionally longer) as well as a look at the decade to come.

Who is considered 'wealthy'? While there are many ways to answer this question, this report accounts for people with a net worth of $1m and above. All wealthy individuals share many characteristics, yet a person's wealth level is an important differentiator, so our analysis is often shown across our three demarcated 'major' tiers of wealth: $1m-$5m, VHNW ($5m-$30m) and UHNW ($30m+) — the last two tiers being the primary focus of the Wealth-X Global Database.

We first take a look back at the recent decade, examining the wealthy population at a global level and then at the regional, country and city levels – teasing out where and how wealth has been created, and which populations have experienced the fastest growth. We consider the challenges of Covid-19 for the wealthy and also look at the highly interconnected relationship between the wealthy and a number of sectors that cater to them or target them as philanthropic donors.

We are living in extraordinary times, making it all the more essential to take a longer and more structural view of the wealthy. Our 10-year view considers how the wealthy will rebuild after the current downturn, details the major demographic changes that are occurring within this group and, finally, examines the behavioral trends and values that will continue to influence their spending.

Wealth-X's proprietary data assets position us to produce a uniquely accurate profile of the wealthy, taking in the size of this group, their wealth, average age, gender and industry focus (for more information, please consult the Methodology section on page 10).

A Decade of Wealth provides exclusive insights into this group of individuals and the ever-changing landscape of wealth creation, making it an essential read for any provider looking to prospect for, and engage with, the wealthy.

KEY DEFINITIONS

Very High Net Worth (VHNW) individuals
Those with a net worth of $5m-$30m

Ultra High Net Worth (UHNW) individuals
Those with a net worth of $30m+ (also referred to as the 'ultra wealthy')

ACKNOWLEDGMENTS

We would like to thank the following individuals (listed alphabetically) for their valuable contributions to our research, adding both texture and deeper insight:

Winston Chesterfield | Principal, Barton
Bob Kissane | Chairman, CCS Fundraising
Andrew Redington | Director of HSBC Group Collaboration, HSBC Private Banking

1 We publish the *Very High Net Worth Report*, the *World Ultra Wealth Report* and *Billionaire Census* on an annual basis.

LOOKING BACK: A DECADE OF WEALTH

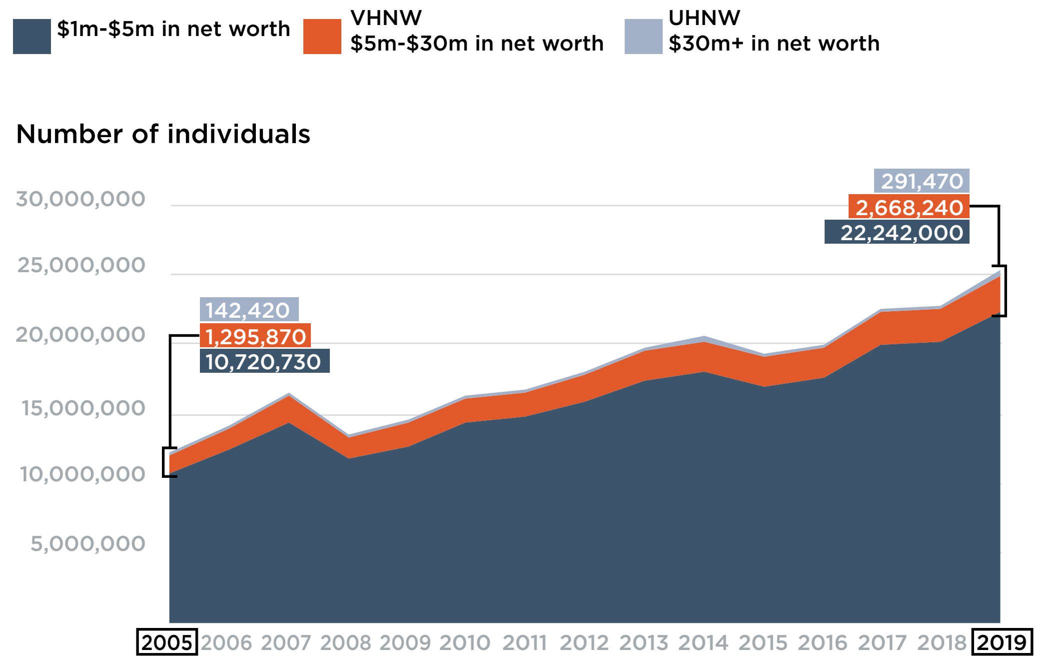
How have the wealthy fared since 2010? There is a common perception that the wealthy population is somewhat disconnected from events in the 'real' world, but changes in net worth and the management of wealth are closely tied to developments in the global economy, geopolitics and a range of issues in society. This comes through clearly when examining the performance of the world's wealthy population over the past decade, the shifting regional patterns of wealth and the industries that depend on these individuals, either as clients or philanthropic donors.

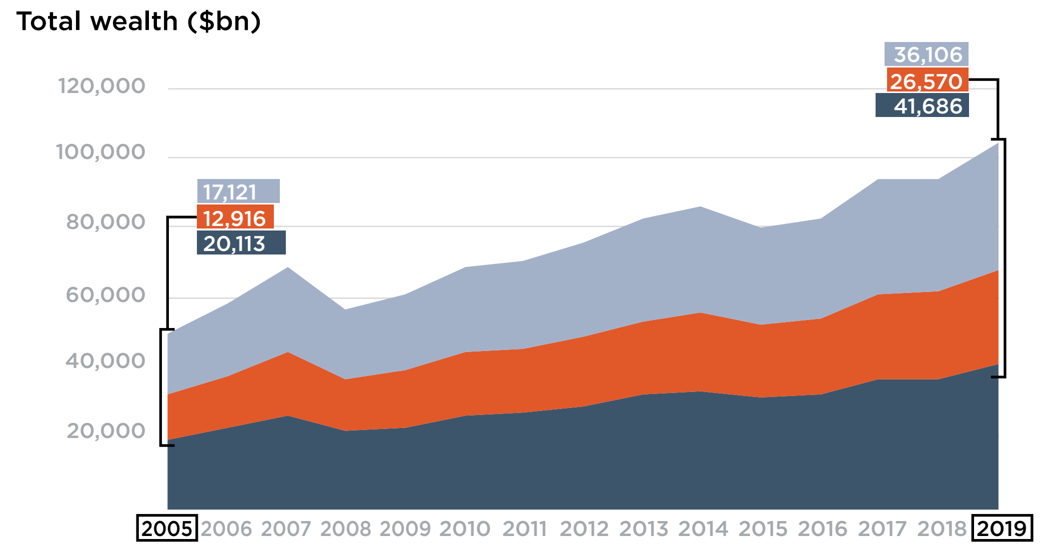
A DECADE, AND MORE, OF PLENTY

The past decade witnessed a strong expansion in global wealth and the wealthy population, with increases of more than 50% since 2010. This continued an existing upward trend: the number of global millionaires (those with $1m+ in net worth) doubled over the 2005-2019 period to more than 25 million individuals. Although comprising only a fraction of the world's adult population, wealthy individuals controlled almost a third of global private wealth in 2019 — a whopping $104trn, up from $50trn in 2005. Over this period, growth rates of the global wealthy population and combined net worth were broadly similar across our three demarcated 'major' tiers of wealth: $1m-$5m, VHNW ($5m-$30m) and UHNW ($30m+).

At an aggregate level, growth in wealth is largely driven by the performance of the global economy, the value of stock markets around the world and the distribution of wealth among each country's population. Over the past decade, the rise in wealth was propelled by strong economic growth in Asia and other emerging economies, continued urbanization, transformative advances in digitization (led by the US tech giants) and, perhaps most of all, a period of unprecedented liquidity from global central banks. Initially an emergency policy response to the 2008-09 global financial crisis that badly damaged wealth portfolios, a constant flow of monetary stimulus supported a record-breaking bull market in global equities between 2010 and 2019.

GROWTH OF THE WORLD'S WEALTHY





Note: Population numbers are rounded to the nearest 10.
Source: Wealth-X

PERSISTENT WEALTH GAP

Inequality is as prominent among the wealthy class as it is across the general population. Almost 90% of all wealthy individuals are grouped in the 'lowest' of our major wealth tiers, with a net worth of between $1m and $5m. About one in every 10 of the world's millionaires falls into the VHNW cohort, while just 1.2% are UHNW individuals. This skewed distribution of the global wealthy population has barely changed over the past decade and longer.

There has also been little movement in the proportion of total wealth held across the three tiers. Those in the lowest wealth bracket of $1m to $5m account for around 40% of global millionaire net worth, while the cohort of VHNW individuals command a share of just over 25%. The relatively small UHNW population holds a combined 35% of global millionaire wealth — highlighting the considerable influence and privileged standing of this exclusive group.

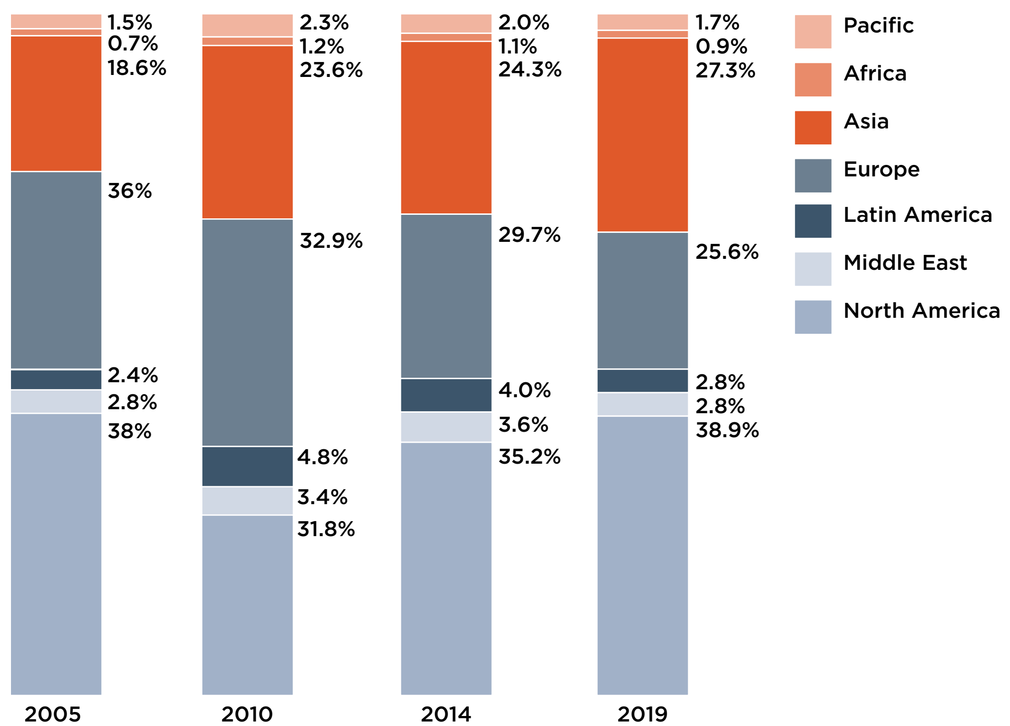
WEALTH HAS CONTINUED MOVING EAST

One of the clearest trends over the past decade has been a shift in the global balance of power from west to east, and this has been mirrored in the changing distribution of wealth among regions. Demonstrating its dynamic economic growth performance, its growing sphere of influence in the world economy and its deepening integration in the global trading system, wealth in Asia — driven, in particular, by China — has grown at a staggering rate since 2005. The region has seen a tripling in the number of individuals with net worth of $5m+ over this period, and a near 10% rise in its share of the global wealthy population to just over 27%.

North America continues to dominate as the world's leading wealth region, with a share of almost 39% of all wealthy individuals, having rebounded strongly over the past decade from the shock of the global financial crisis. By comparison, the other traditionally dominant wealth region of Europe has experienced a steady decline in its status, reflecting its comparatively slow-growing economies, more restrained financial markets, aging demographics and the relative maturity of its main wealth markets. The populations of wealthy individuals in the regions of Latin America and the Caribbean, the Middle East, the Pacific, and Africa are comparatively small and their respective shares have remained largely the same.

WEALTHY POPULATION BY REGION OVER TIME

Proportion of global population with $5m+ in net worth



Note: Data may not total 100% due to rounding.
Source: Wealth-X

COVID-19 CHALLENGES ON MANY FRONTS

The rapid spread of Covid-19 around the world in the first half of 2020 — accompanied by dramatic falls in economic output and volatile shifts in financial markets — has had a considerable impact upon the wealthy. Not only has it brought to an immediate halt the unbroken upward trend in global growth over the past decade, it has also threatened a sharp correction in world asset markets and increased the risk of intensifying global rivalries, particularly between the US and China.

Aside from feeling anxious about their health and that of their families, many wealthy individuals will be concerned about the resilience of their financial holdings and businesses, given huge uncertainty over the path of the coronavirus and the pass-through effects on consumer behavior. Stock markets continue to gyrate, while markets in real estate and other luxury goods, such as yachts, are effectively frozen, with prices on the way down. Amid the cascade of policy stimulus, some will worry about whether they need to free up additional liquid assets to get through the crisis. The vast majority of wealthy individuals own and/or operate a business so the speed and scale of the downturn mean that quite a few companies will be struggling, be it from a solvency, liquidity and/or operational perspective. However, as in all crises, there will be some organizations (most likely in the technology, healthcare and distribution sectors) for which demand is likely to have strengthened.

The wealthy will be facing other business challenges, too, such as ensuring staff well-being, deciding when to restart operations (if relevant), as well as preparing their business for when the economy begins to open up again. These worries are worsened by the uncertainty of the situation — whether the downturn will last a few months or considerably longer; for how long and how effectively governments and central banks will be able to help; and what form an economic recovery will take once it occurs.

The wealthy have also been expected to step up during this time of crisis and contribute to global efforts in the fight against the pandemic. Whether these expectations are a prelude to the future remains open to question. Many wealthy, whether via their organizations or as individuals — for example, Alibaba's Jack Ma, Twitter's Jack Dorsey and the Bill & Melinda Gates Foundation — have taken significant actions or announced large contributions.

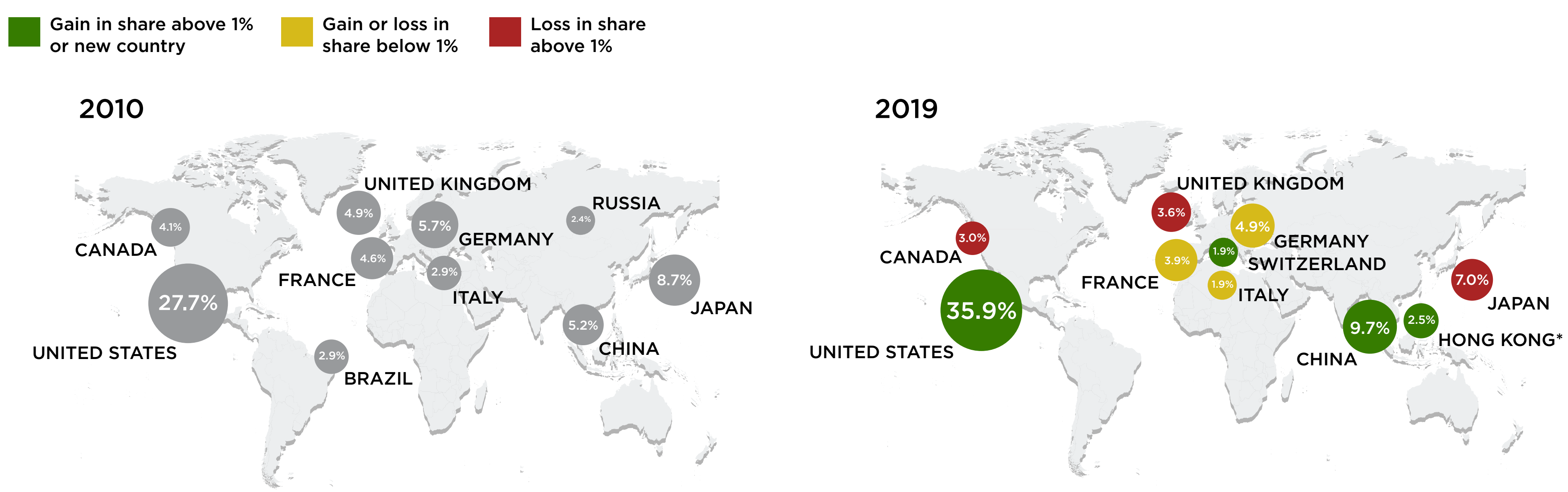
THE US REMAINS THE WORLD'S DOMINANT WEALTH MARKET

The US is by far the world's largest wealth market and cemented its leading position over the past decade (its relative standing received a sizeable boost in 2019 from a surge in its wealthy population). The world's largest economy is backed by the US dollar's global reserve currency status, underpinned by dominant financial services and technology sectors, and enjoys a business environment largely supportive of private enterprise and competition. The US has maintained its prominent role as a driver of global wealth creation, reflected in an extended period of robust equity market gains and economic growth.

The main changes among the top 10 countries over the past decade have been a significant increase in the number of wealthy individuals in China (lifting the country into second place), and an appearance in the list of Hong Kong, which has reaped the economic benefits of a stronger relationship with its large neighbor. The respective shares of the global wealthy population in all of the major European economies have fallen amid more dynamic wealth creation elsewhere. There has been a similar pattern in Japan (see New York is the leading city for the wealthy), although its third-placed rank appears fairly secure.

TOP 10 COUNTRIES BY NUMBER OF INDIVIDUALS WITH $5M+ IN NET WORTH

Proportion of global population



*Hong Kong is a semi-autonomous, special administrative region of China.
Source: Wealth-X

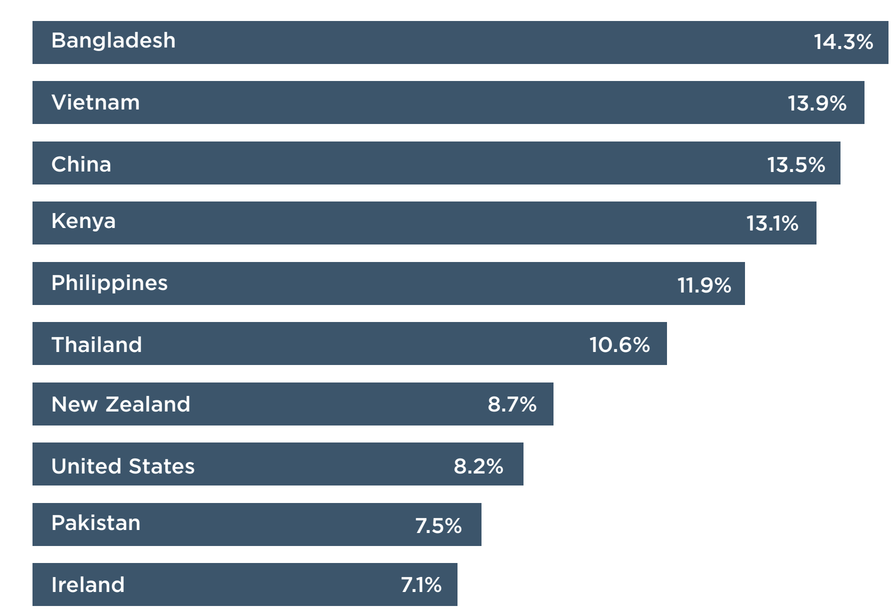
ASIA IS HOME TO THE FASTEST-GROWING WEALTH MARKETS

The fastest-growing wealth markets over the past decade comprise a mix of large and small economies. The foremost trend is the rise of emerging markets across Asia — six countries are in the top 10; a reminder that the past decade has been not just about the continued expansion of China but the development of other economies in the region, with rapid urbanization and an ongoing shift from low-productivity agriculture towards manufacturing and services.

Vietnam and Bangladesh top the rankings, with robust economic growth in both countries supported by a young and expanding workforce and deepening integration in regional manufacturing supply chains. The strong growth in their respective wealthy populations is also partly a reflection of having a low base of comparison (i.e. both countries had a comparatively small number of wealthy individuals back in 2010). It is also noteworthy that the mature US market, despite its outsized wealth compared with the rest of the world, was among the top 10 countries with the fastest-growing wealthy populations.

TOP 10 FASTEST GROWING WEALTH MARKETS 2010-2019

Average annual growth rate of population with $5m+ in net worth

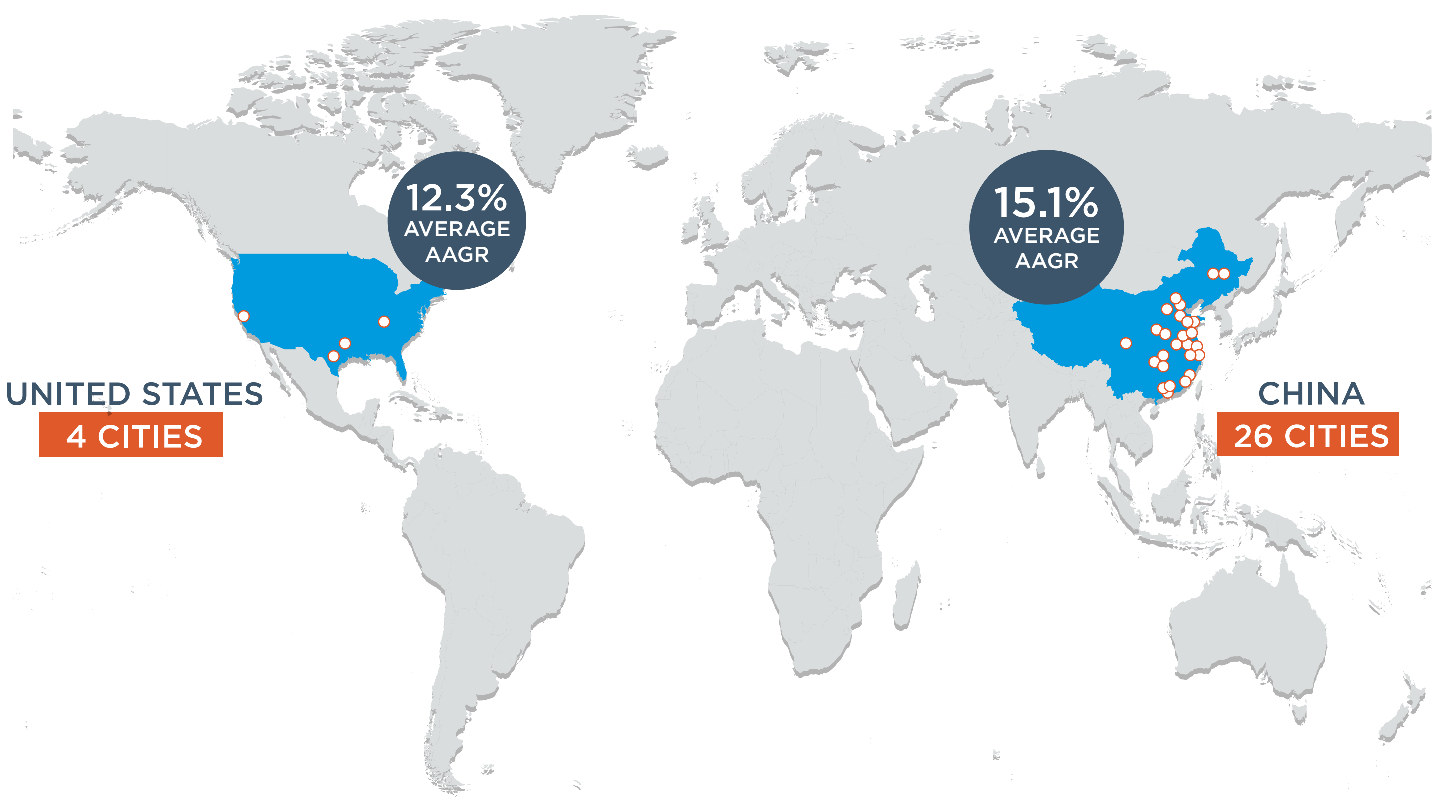


Source: Wealth-X

CITY WEALTH ON THE RISE ACROSS CHINA

Reflecting the astonishing growth of wealth in China over the past decade and longer, the country accounts for all but four of the world's 30 fastest-growing cities in terms of the number of wealthy individuals (our assessment considers the world's largest 100 cities by nominal GDP). Most are located on or near China's east coast or slightly more inland, a testament to the rapid pace of industrialization, the emergence of new companies and sectors, and the transformation of entire societies in just a couple of decades. It is also a reflection of China's huge number of large urban centers with many millions of people. The four non-Chinese cities in the top 30 list are all in the US, highlighting a number of recently emerged wealth hotspots, such as Austin and Nashville.

TOP 30 FASTEST-GROWING CITIES BY POPULATION OF INDIVIDUALS WITH $5M+ IN NET WORTH 2010-2019



Note: The ranking refers to the world's largest 100 cities by nominal GDP in $. AAGR refers to average annual growth rate.
Sources: Wealth-X; Oxford Economics

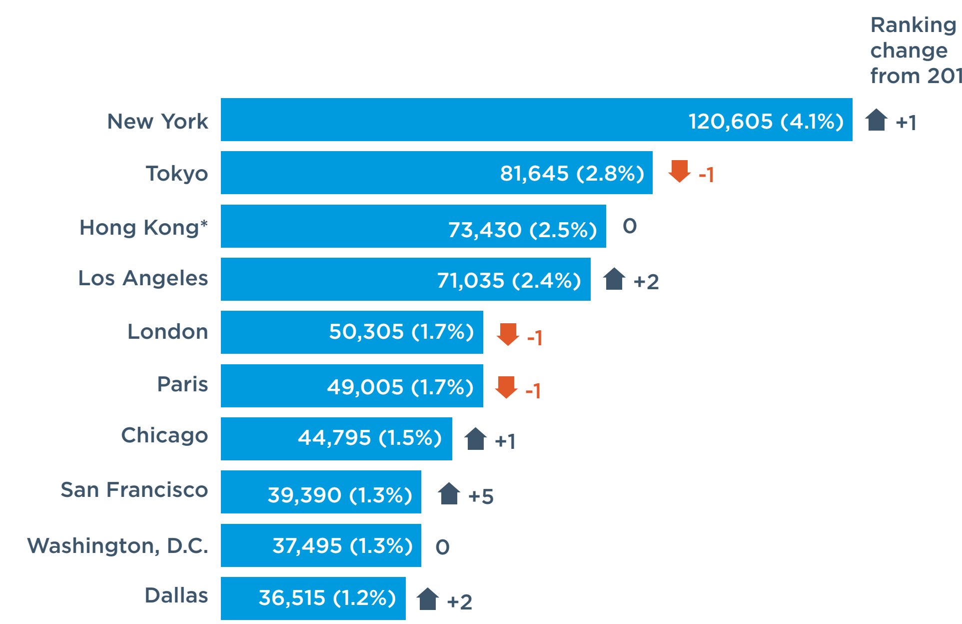
NEW YORK IS THE LEADING CITY FOR THE WEALTHY

Large and dynamic global cities tend to stay popular among the wealthy over long periods of time, with the result that the list of the top 10 cities has only changed relatively modestly over the past decade. As the global urbanization trend has continued, the wealthy have congregated increasingly in cities — attracted by commercial opportunities and talent but also an array of cultural, educational and lifestyle opportunities.

Throughout the first decade of the 2000s, Tokyo alternated with New York as the world's leading city for wealthy individuals. However, since 2012, the gap between the two has widened steadily. This has been driven, in part, by their respective countries' diverging economic performance, with New York now firmly positioned as the pre-eminent global city of the wealthy. While the US recovered strongly from the global financial crisis, wealth creation in Japan has been hampered by sluggish economic growth, exchange-rate effects and aging demographics. Underlining the robust wealth gains in the US over 2010-19 and the overall size of its wealth market, five other US cities also rank among the global top 10.

Hong Kong has maintained its third-placed position, slightly ahead of London and Paris, which have both been overtaken by Los Angeles. Meanwhile, no Chinese or German cities feature in the top 10 — explained by the nations' relatively large stock of private wealth being more evenly dispersed in urban centers across the two countries.

TOP 10 CITIES BY WEALTHY POPULATION 2019
Number of individuals with $5m+ in net worth (% of global population)



Note: Population numbers are rounded to the nearest 5. Cities are defined on the basis of urban agglomerations and metropolitan (metro) areas, which include the built-up areas outside the administrative core. For example, New York includes New York City, Newark and Jersey City. Globally comparable city-level data is not available; as such, to ensure comparability is as precise as possible, we have sourced consistent metro- and urban-level population and GDP data. City definitions are from Oxford Economics. Major cities are determined on a nominal GDP basis in $.

*Hong Kong is a semi-autonomous, special administrative region of China.

Sources: Wealth-X; Oxford Economics

SECTORS OF IMPORTANCE: WHAT THE WEALTHY SPEND THEIR MONEY AND TIME ON

There are a large number of sectors that cater to or target the wealthy and their spending. As the population of wealthy individuals has grown around the world, so too have many industries that rely on them as clients. From high-end real estate, luxury goods and lifestyle services, to travel and financial services (particularly wealth management and the specialist departments of insurers), firms in these sectors are heavily reliant on the wealthy for custom and/or investment.

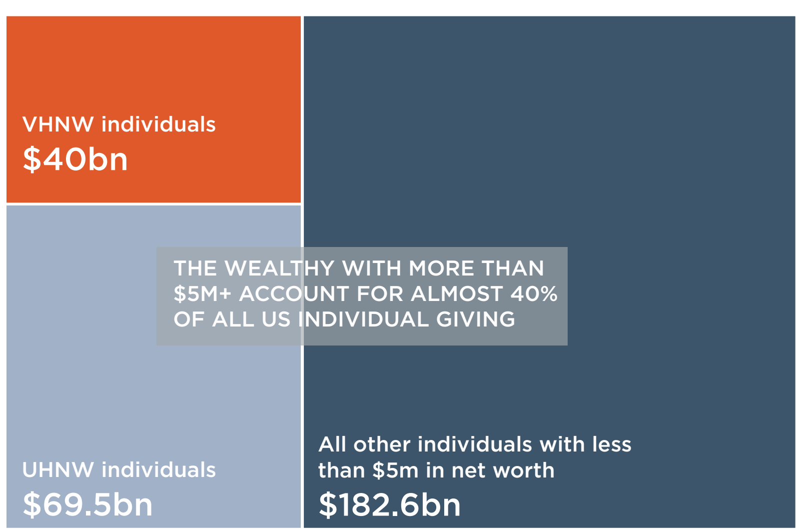
The huge expansion (and, arguably, overdependence) of the luxury goods sector in China over the past decade shows the inextricable relationship between demand for such items and the trajectory of wealth. That said, Europe and the US still remain the dominant global markets for luxury consumption. Among wealth management firms, the high-end wealthy are very much the main clientele (although firms serving the mass market are on the rise), and assets under management (AuM) tend to ebb and flow with the rise and fall of the wealthy's investable assets.

There is more of a regional pattern in the wealthy's involvement in the not-for-profit and education sectors, to which many individuals donate their money and, often, their time. Major philanthropic giving varies considerably by region, with traditions of public giving, cultural and religious conventions, coverage of welfare provision, national tax regimes and incentives, and the framework and availability of philanthropic programs and investment vehicles all playing a part. Nonetheless, across all regions, the wealthy often lead and account for a highly significant proportion of total giving. This has its advantages and disadvantages.

"Because of their philanthropy, such individuals can have outsized influence on a non-profit organization, but the money can also have a significant positive impact. I have seen relatively few instances where wealth and philanthropy of one donor dictates an institution's agenda and strategic vision. However, non-profits that rely on one or two major donors are always more vulnerable to outsized influence. It's a double-edged sword."

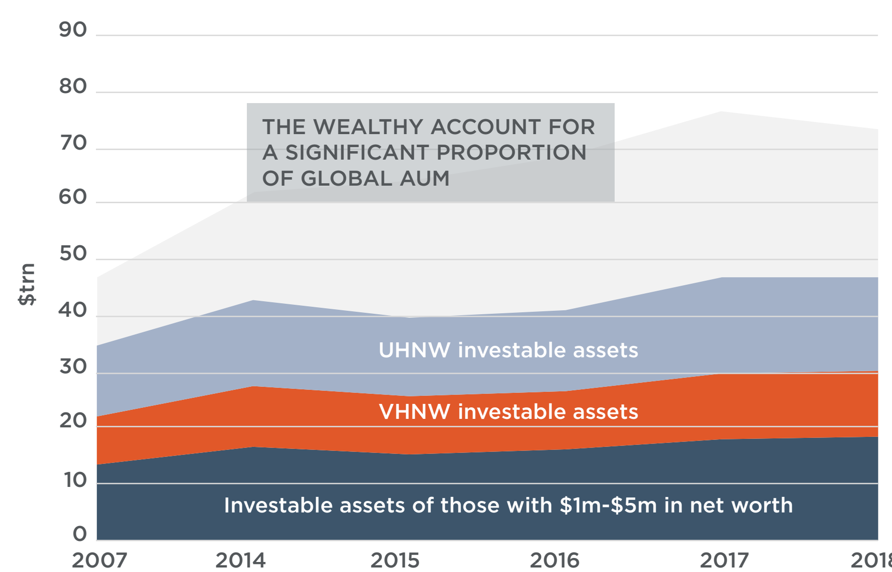
Robert Kissane,
Chairman, CCS Fundraising

US INDIVIDUAL CHARITABLE GIVING BY WEALTH TIER 2018



Sources: Wealth-X; Giving USA, *Giving USA 2019: The Annual Report on Philanthropy for the Year 2018*

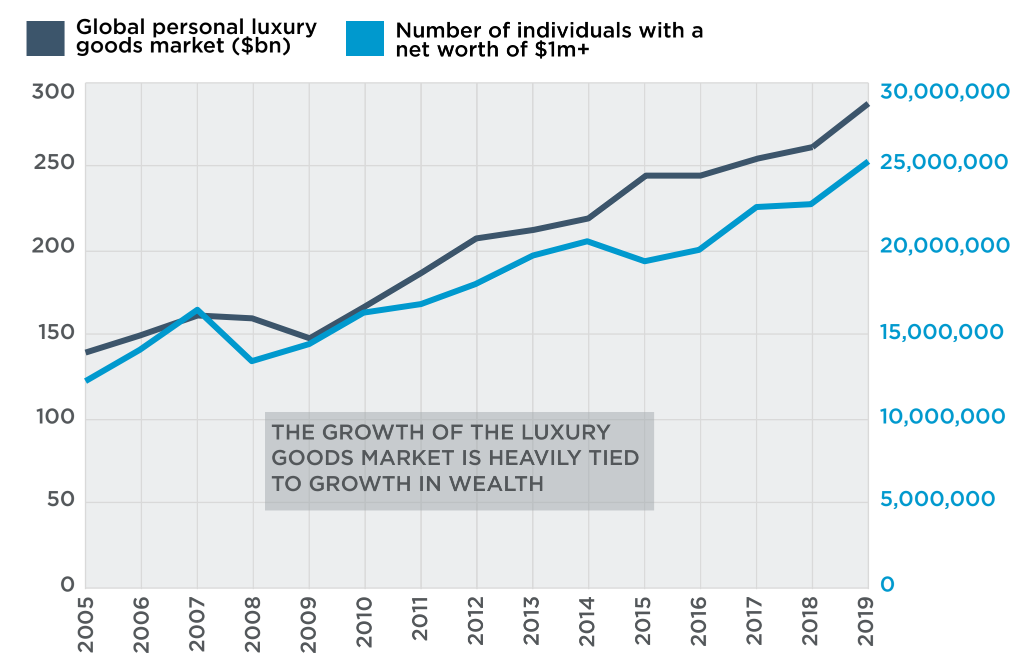
GLOBAL ASSETS UNDER MANAGEMENT



Note: BCG's market sizing of AuM includes assets professionally managed in exchange for management fees; AuM includes captive AuM of insurance groups or pension funds where AuM is delegated to asset management entities with fees paid; 44 markets are covered globally, including offshore AuM. It is worth noting that global AuM data also includes corporate asset management activity. Were this excluded, the proportion accounted for by the wealthy would be significantly higher.

Sources: Wealth-X; Boston Consulting Group

INTERLOCKED: WEALTH GROWTH AND LUXURY GOODS SPEND



Note: 2019 refers to an estimate for the year for luxury goods spend.
Sources: Wealth-X; Bain & Company

LOOKING AHEAD: WEALTH OVER THE NEXT DECADE

We are living in extraordinary times. But as with other life-changing and historic events, the Covid-19 pandemic too shall pass, although not without significant human cost and economic disruption. Here we take a look at what the wealthy have in store when the current downturn ends, how they and their values are changing, and what this means for providers that cater to and depend upon wealthy individuals as either clients or donors.

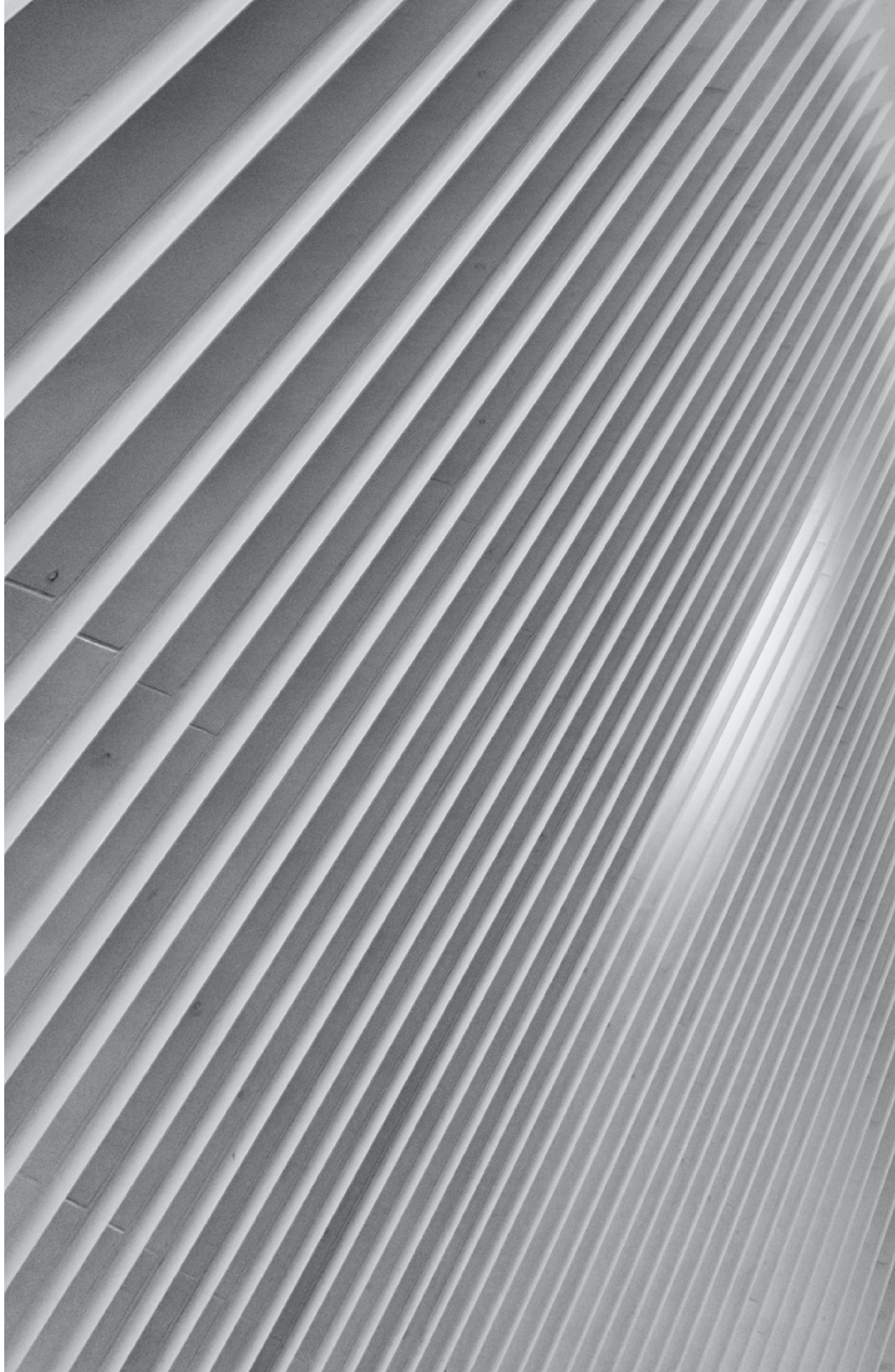
REBUILDING AFTER THE CURRENT DOWNTURN

There will be a moment when the world has finally beaten Covid-19. Yet given the extraordinary changes taking place — from unprecedented government intervention in a wide range of industries to the acceleration of ecommerce and digital retailing in response to social distancing — the world will be different. What do the wealthy likely have in store once the downturn is over?

A focus on rebuilding their businesses and their wealth. At present, most business owners are focusing simply on getting through the crisis (apart from those whose businesses happen to be in sectors experiencing high demand). Once the worst is over, the wealthy will refocus on rebuilding their businesses and getting them back on track. In fact, those businesses that are able to seize opportunities now — whether they be investment-driven or centered on restructuring, M&A or building other internal assets — may well find themselves at an advantage once the recovery begins[2]. The wealthy will also examine their wealth holdings through a new lens and may make some alterations in where they allocate their assets.

Gains in wealth are likely to be delayed. Until a sustainable economic recovery is seen to be on track, business acquisitions are likely to take a back seat (though there will certainly be some strategic exceptions), with many investors taking a more cautious approach. It will take some time for the investment and M&A cycle to ramp up again and for risk-taking to be encouraged. This means that entrepreneurs looking to sell their businesses will need to be patient, with the consequence that some wealth gains will be delayed.

There will be bigger expectations of the wealthy as wealth distribution is likely be pushed up the agenda. With governments and central banks taking unprecedented steps to provide liquidity and loans to businesses and other organizations — and, in some cases, much-needed substitution of lost income to individuals — there is little doubt that much higher public debt and an increased focus on healthcare provision will be among the outcomes of the current downturn. This will differ widely on a country-by-country basis but, to pay for these outlays over time (hyper low interest rates will help), the wealthy may be asked to contribute more via higher taxes, or there may be some movement around increasing wealth taxes. In a similar vein, there is widespread concern that the pandemic's effects are not being equally shared within society — expectations on the wealthy to 'give back' may well rise further, especially in an environment of increasing political populism.



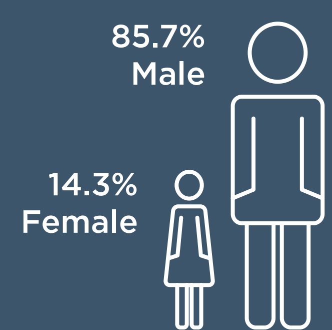
2 Boston Consulting Group, *Advantage Beyond the Crisis*, April 21 2020.

SELECT CHARACTERISTICS OF WEALTHY INDIVIDUALS WITH $5M+ IN NET WORTH (GLOBAL)

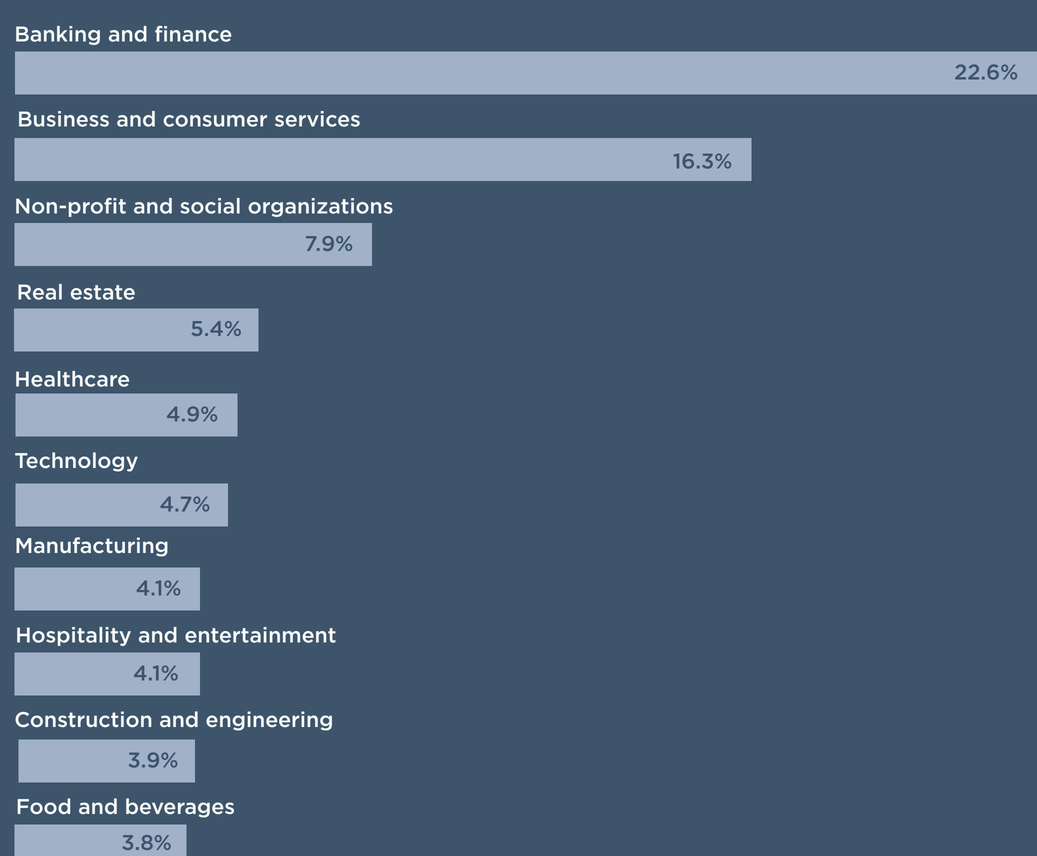
AGE

Average
59.7

GENDER



TOP 10 PRIMARY INDUSTRIES



Source: Wealth-X 2020

WHO THE WEALTHY ARE WILL CONTINUE TO EVOLVE

Changes in the global economy and the global order influence the makeup of the wealthy in the span of a generation. This matters — demographic changes among the wealthy mean that the preferences and priorities of this group change accordingly, with important consequences for the industries that depend upon them as clients or donors.

Over the next generation, we expect to see a number of changes in terms of the individuals who make up this exclusive group:

Entrepreneurs are becoming wealthy at a younger age. Traditionally it has taken a long time to grow and/or accumulate wealth — people with fortunes of $5m+ are 60 years old on average. Businesses typically take a decade and often more to create significant value for their owners, and those inheriting wealth tend to be among generation X (aged at least 40), if not older.

Yet this is changing. Advances in technology and associated digital industries, as well as others such as retail and consumer services, have meant entrepreneurs have been able to create large and successful businesses much more rapidly than in previous generations, giving rise to a new and much younger set of wealthy individuals in their 30s and 40s. This trend is expected to continue: there remain huge gains to be made in applying digital transformation, artificial intelligence and other technologies to a host of industries — a process that could be accelerated further by the coronavirus crisis. Among the younger cohort of wealthy individuals there is also an increasing proportion of people who become serial entrepreneurs, investing some of the proceeds of their first business into new ventures.

The proportion of wealthy women will increase, if only gradually. Wealth has long been principally the preserve of men, with women accounting for just below 15% of the global wealthy population. With female labor participation and entrepreneurialism on the rise across a large number of countries, and with substantial inter-generational wealth transfer likely over the next decade, we expect female representation to rise gradually. However, given that sizeable wealth generally takes a lengthy period to create or accrue, it is likely to be some time before a significant gender shift is discernible.

Technology and the not-for-profit sphere will become more prominent among the wealthy as primary industries. The wealthy participate in a large number of industries yet a couple tend to dominate, chiefly banking and business and consumer services. Non-profit and social organizations account for about 8% of all wealthy individuals' main industry of focus[3]. This partly reflects some older individuals choosing to channel their time into 'giving back' to society once they have retired or reduced their day-to-day business responsibilities.

Yet an interest in philanthropy, as well as expectations on the part of the wealthy, have increased over the past decade and we expect this to translate into a rising proportion of wealthy people transitioning from a commercial focus in the decade ahead (and potentially pushed further by Covid-19). Moreover, the younger generation is particularly passionate about philanthropy[4] and, although many young wealthy individuals are choosing to re-invest their wealth into new ventures, quite a few will undertake philanthropic endeavors.

Over the years, the technology sector has risen steadily in importance as a vehicle for wealth creation[5]. We expect technology's share as a main industry of focus to continue to increase, helped by the fact that such businesses can cross borders fairly easily, face comparatively low barriers to entry and can increase in scale much more rapidly than more traditional industries.

3 Primary industry refers to the industry to which wealthy individuals devote most of their time, not necessarily the industry by which they created their wealth, although they are often one and the same.
4 See Wealth-X's *The New Normal: Trends in UHNW Giving 2019*
5 Wealth-X published its first *World Ultra Wealth Report* in 2011.

WHAT THE WEALTHY VALUE

The global economy and the group of individuals that comprise the wealthy will continue to change over time. Yet perhaps surprisingly, what this group values is less changeable, despite some movement at the margins. To identify and implement the best strategy for engaging with wealthy individuals, providers must keep their wealthy clients' values front of mind. This is essential to the long-term success of any provider serving or targeting this group. Over the next decade we see the following behavioral trends and values making their mark:

The 'experience' of products and services will continue to grow in importance. Much has been made of the shift in consumption away from luxury products and towards experiences and personalization. This has taken place as consumers become more discerning and production methods have advanced to reach a plateau in terms of 'discernible difference'. As we move into the next decade, the 'experience' will become increasingly important, not just to luxury and travel brands but also to other industries, ranging from wealth management firms to not-for-profit organizations. The client's experience, from first touch to continued engagement, whether via remote channels or in person, will be increasingly valued by that individual with their ever-rising expectations.

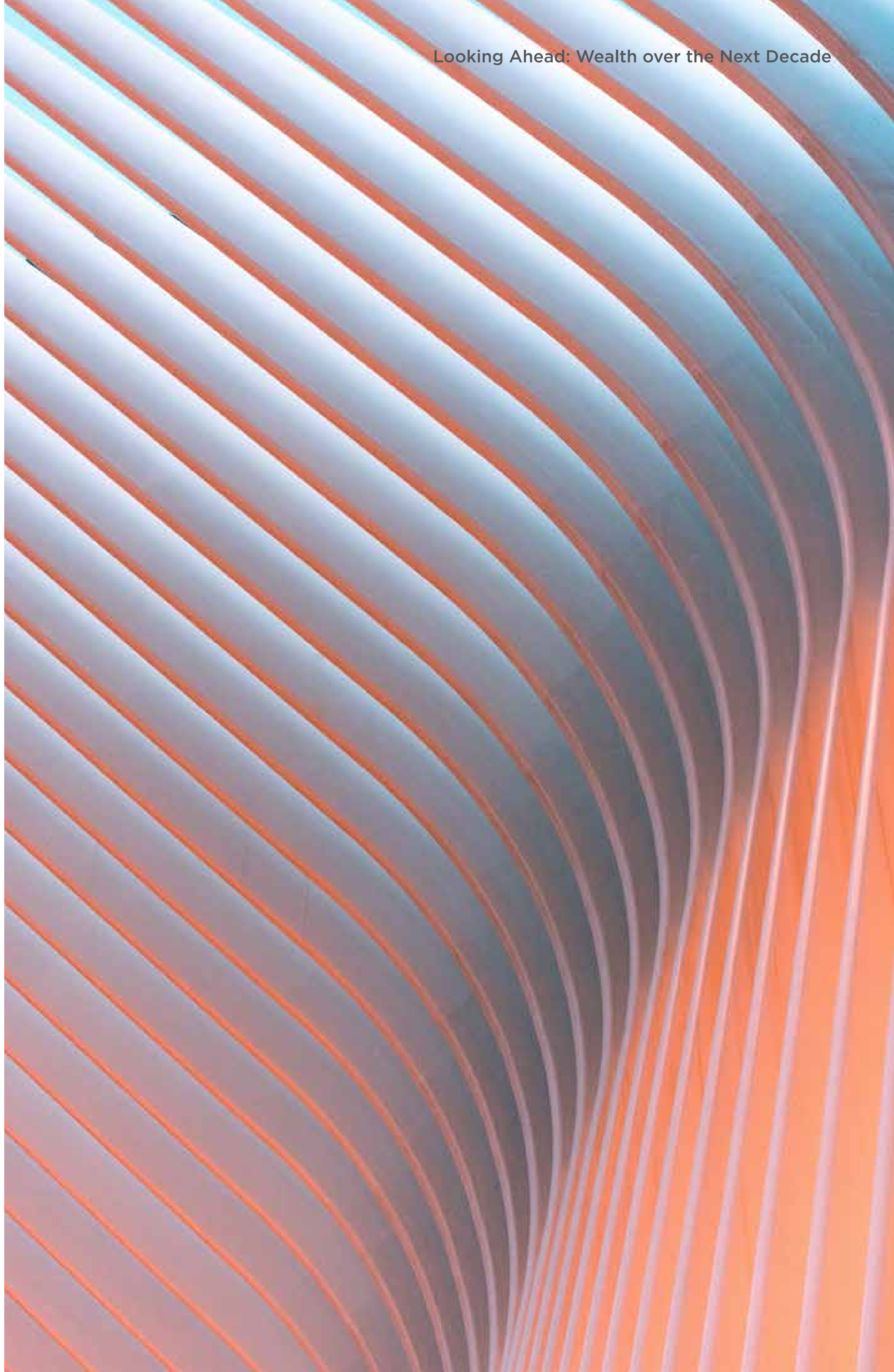
> "The idea that just because you are wealthy you will buy something because it is a luxury item or donate philanthropically; it doesn't work like that any more. The wealthy are becoming more selective — they are showing a more sophisticated, informed viewpoint."
>
> Winston Chesterfield,
> Principal, Barton

Despite demand for technology-based solutions, relationships matter as much as ever. The internet, mobile devices and other technologies mean clients increasingly expect and demand instant access to information. Whether it is to enquire about the price of a luxury item, compare products/services among providers, or examine the value of their financial holdings, clients expect an ever quicker, personalized and transparent service. For providers, this means offering exceptional levels of service across a range of channels, while using the personal relationship to engage and service the client on matters where judgment and advice is key. Relationships continue to make a difference to customer acquisition and long-term business.

> "We know that younger clients are looking for new ways to interact with us, and increasingly via digital channels, but the trusted relationship a client builds with their advisor over time continues to be just as important as ever."
>
> Andrew Redington,
> Director of HSBC Group Collaboration, HSBC Private Banking

The wealthy's values and passions will increasingly inform their spending. Wealthy individuals are looking to connect with brands in a way they were not doing previously — a brand's values, working methods and, quite often, its impact on society and the environment have all become more important (this also underlines the heightened interest in sustainable and responsible investment). Needs and necessities play a minor role in wealthy people's decision-making processes, so providers need to connect to the cause, product or service that is being discussed.

> "The philanthropy of high net worth individuals tends to be values-based. They give to causes they care deeply about, namely organizations they believe are effective leaders in the space."
>
> Robert Kissane, Chairman,
> CCS Fundraising



METHODOLOGY

To size the wealthy population and its combined wealth, we use our proprietary **Wealth and Investable Assets Model**. This model produces statistically significant estimates for total private wealth and estimates the size of the population by level of wealth and investable assets for the world and each of the top 75 economies, which account for 98% of world GDP.

We use a two-step process. First, to estimate total private wealth, we use econometric techniques that incorporate a large number of national variables such as stock market values, GDP, tax rates, income levels and savings from sources such as the World Bank, International Monetary Fund, Organization for Economic Cooperation and Development (OECD) and national statistics authorities. Second, we estimate wealth distribution across each country's population. Owing to a lack of wealth distribution data, most wealth models estimate wealth distribution patterns using income distribution data. However, Wealth-X's proprietary database of hundreds of thousands of records on the world's wealthiest individuals enables us to construct wealth distribution patterns using real, rather than implied, wealth distributions, making the model more reliable. We then use the resulting Lorenz curves to distribute the net wealth of a country across its population. The database is also used to construct investable asset distribution patterns across each country's population. The model uses residency as the determinant of an individual's location.

Our model also estimates population, wealth and investable assets for the world's major cities as ranked by nominal GDP in $. These cities are defined on the basis of urban agglomerations (UAs) and metropolitan (metro) areas, which include the built-up areas outside the administrative core. We find that metro and urban areas are closer to self-contained entities compared with city administrative cores (city proper) because more residents are likely to work and spend within the metro/UA boundaries. Globally comparable city-level data is not available so, to ensure comparability is as precise as possible, we have sourced all metro- and urban-level population and GDP data from Oxford Economics.

To profile the wealthy in greater depth, this report leverages the unique and proprietary **Wealth-X Database**, the world's most extensive collection of curated research and intelligence on wealthy individuals. Our database provides insights into their financial profile, career history, known associates, affiliations, family background, education, philanthropic endeavors, passions, hobbies, interests and much more. Our proprietary valuation model (as defined by net worth) assesses all asset holdings, including privately and publicly held businesses and investable assets. The database uses the primary business address as the determinant of a wealthy individual's location. References to $ or dollars refer to US dollars.

Analysis of the data and additional insights were provided by the **Wealth-X Analytics** team. Leveraging the Wealth-X Database and its own data models, Wealth-X Analytics provides customizable data assets tailored to your organization's needs. Wealth-X Analytics is uniquely positioned to provide market-level data and analysis to inform strategies across the financial services, luxury, not-for-profit and education industries.

The Wealth-X Analytics team is composed of experienced analysts, economists and thought leaders, armed with deep sector knowledge and unique skills. The team regularly collaborates with clients across industries to provide:

- Market sizing
- Forecasting
- Profiling/archetyping

To learn how Wealth-X Analytics complements our full suite of data-driven products and services, email us at contact@wealthx.com.

ABOUT WEALTH-X

The global leader in wealth information and insight, Wealth-X partners with leading prestige brands across the financial services, luxury, not-for-profit and higher-education industries to fuel strategic decision-making in sales, marketing and compliance. Wealth-X boasts the world's most extensive collection of records on wealthy individuals and produces unparalleled data analysis to help organizations uncover, understand, and engage their target audience, as well as mitigate risk. Founded in 2010, with staff across North America, Europe and Asia, Wealth-X provides unique data, analysis, and counsel to a growing roster of more than 500 clients worldwide.

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WEALTH-X THROUGH THE YEARS

2010
First Wealth-X Dossier completed

First version of 'Wealth-X Professional' developed

2011
Wealth-X launches first *World Ultra Wealth Report*

2012
Wealth-X Salesforce App launches

2013
Wealth-X launches first *Billionaire Census*

2014
Wealth-X Diligence launches

Wealth-X receives growth capital from Insight Venture Partners

2015
Wealth-X Database surpasses 100,000 records

2016
Richard Green named President of Wealth-X

2017
Wealth-X introduces very high net worth (VHNW) dataset

2018
Wealth-X Database surpasses 1 million records

2019
Wealth-X launches Screening Software solution

Wealth-X acquired by Euromoney

2020
Wealth-X launches first *Very High Net Worth Handbook*

WEALTH-X CONNECTING YOU TO WEALTH
2010 - 2012

WEALTH-X
2012 - 2016

WEALTH-X
2017 - 2020

WEALTH-X 10 YEARS
10-year anniversary