

Uncovering investment goals among China's wealthy

Jennifer Zeng of Bain looks at some of the investment trends and shifts in mind-set among HNW individuals in China.

The findings of Bain's 2015 China Private Wealth Report show the investment appetite of wealthy Chinese has changed over the last few years, said Bain partner Jennifer Zeng.

The first report, in 2009, showed the priority at that point in time was wealth creation – typical of a first-generation HNW individual.

However, by 2013, the importance of wealth preservation was clear. The latest report continues this trend, explained Zeng, with an increase in the goal of wealth inheritance as HNW individuals become more sophisticated and look at passing their wealth to the next generation.

Notable, added Zeng, has been the speed with which the change in focus has taken place.

She puts this down to the pace of wealth creation in the first place, driven

by the country's rapid economic growth and many investment opportunities via the stock market and property.

As a result, and as the economy has shifted into a new normal of slower growth than before, many HNW individuals now want to safely preserve their wealth and also pass it on to the second generation.

SERVICING DEMAND

To service the evolving needs of clients, Chinese private banks have developed their offerings.

Rather than mainly focus on product pushing, Zeng said they now spend more time understanding customers' needs, including investments and wealth goals – and train their advisers in this way.

These banks have also invested heavily over time to build their brand names and do market research on customers.



JENNIFER ZENG
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As a larger number of Chinese HNW individuals look to invest more overseas, local banks will further build their platforms and presence overseas. ■