

Paris, 17th September 2013

## Exclusive France/EMEA/Americas/Asia survey

### Individual investors show signs of optimism and are ready to accept higher risk

**Natixis Global Asset Management publishes today the results of its global study of individual investors\* throughout the world.** The survey was conducted on a sample of 5,650 investors from 14 countries in Asia, Europe (France, Germany, Italy, Spain and Switzerland), the Americas and the Middle East during the months of June and July 2013.

**Individual investors seem to be downplaying their risk aversion with a view to reaching their long-term investment objectives.**

Globally, investors show signs of optimism: although market volatility has severely eroded confidence, **44% of the respondents claim they are ready to take on more risk in their portfolio**, up from 33% in 2012. However these figures vary from one region to another. European investors (excluding the UK) are the most cautious with 37% willing to add risk; in the US this figure is 43%, followed by Asia with 49%. Middle Eastern investors are the least risk averse, with 57% of respondents ready to take on more risk.

Looking forward, this is cause for further optimism. *"However this default optimism"* warns Christophe Point, Director of Natixis Global AM France. *"Importantly, over the past 12 months, more and more investors have been ready to accept losses during periods of volatility"*. In 2013, 43% of the respondents considered stability in volatile times as the most important factor when selecting investments, down 14 percentage points from 57% in 2012.

**The survey highlights the fact that investors sometimes have conflicting goals.** Seven in ten admit to being conflicted at least sometimes between obtaining returns and preserving capital. *"This paradox is made clear when investors are questioned over their investment objectives: over half (57%) say asset growth is a priority over protecting principal, but 80% would choose safety over performance"* adds Christophe Point. However most investors (75%) said they value stable and predictable investment returns more than ever; the study also revealed that they no longer rely on traditional investment strategies to achieve this.

\*Investors with assets of \$200,000 and above (or €150,000+).

The survey reveals that **71% no longer believe that a traditional approach (stocks and bonds) to portfolio allocation is the most effective way to pursue returns** or to manage risk in today's markets. **Investors are looking for capital growth and are increasingly keen to access uncorrelated investments:** more than two-thirds (68%) express interest in products unrelated to the performance of the broader markets.

Nevertheless, on a global scale, individual investors have weak investment knowledge. **Only one in five claims to have strong investment knowledge**, whereas 40% (2 in 5) admit they understand the risk in their portfolio little or not at all. While investors are aware of the need to take on more risk, diversify their portfolio (50% are convinced of this), and look at new ways to reach their objectives, they also feel they lack the guidance needed to "take the plunge".

**85% of respondents said they needed a better understanding of alternative investments or strategies** before investing and 65% would consider investing upon their advisor's recommendation. However, if most individual investors (68%) have already discussed alternative investments with their advisor, these rates vary significantly from one region to another: 87% in the Middle East and 61% at the most in Europe (59% as far as French investors are concerned).

While the survey highlights investors' concerns over the performance of traditional strategies as well as their clear interest for alternative investments, the study also indicates a preference for a stable outlook for 2014: **62% expect to keep their allocations unchanged in the coming year.** Investors show particular interest for defensive asset classes such as gold (29% plan to increase their allocation), real estate (28%), and cash (20%). *"The cause of this inertia could be the persisting global economic uncertainties and particularly concerns over public finances in different countries"* adds Christophe Point. The survey shows that 94% of US respondents are preoccupied with these issues; however this percentage drops to 85% in Europe.

Christophe Point concludes *"We argue for the construction of durable portfolios, the first step of which is to assess the investor's tolerance to market volatility in view of his/her long-term objectives". "It is crucial to focus first on what matters most – namely, the overall risk inherent in a portfolio. If one were to apply this strategy, the portfolio structure could combine a core mix of equities, bonds and uncorrelated investments."*

### **Methodology**

The survey of 500 individual investors in France was carried out by UK-based CoreData on behalf of the Durable Portfolio Construction Research Center of Natixis Global Asset Management (NGAM). It is part of a larger global study of 5,650 investors in 14 countries from Asia, Europe, the Americas and the Middle East. The study was primarily targeting active investors and affluent individuals, and the average net-investible assets of France participants in the research was €621 400. Investors were surveyed online in June and July of 2013. A copy of the full global survey is available at [www.ngam.natixis.com/pressroom](http://www.ngam.natixis.com/pressroom). More information is available at [www.durableportfolios.com](http://www.durableportfolios.com).

### **Contacts :**

#### **NATIXIS**

Andrea Pucnik  
Tel : +33 (0)1 58 32 01 03  
[andrea.pucnik@natixis.com](mailto:andrea.pucnik@natixis.com)

#### **Natixis Global Asset Management**

Fanny Galène  
Tel : +33 (0)1 78 40 84 54  
[fanny.galene@am.natixis.com](mailto:fanny.galene@am.natixis.com)