

# Changing Face of Wealth Survey

## Key Findings

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# Background Information

- The primary purpose of the poll was to provide an introspective look at the High Net-Worth (HNW) Canadian market place
- The poll was conducted based on a sample of 459 Canadians adults who have \$1M+ in investable assets and at least share in the financial decision making process
- Research covers topics such as:
  - Changing face wealth
  - Source of wealth
  - A comparison of HNW Canadians' financial behaviour over the past few years

\*For the purposes of this report, “High Net-Worth Canadians” refers to those adults surveyed who have investable assets of \$1M+.

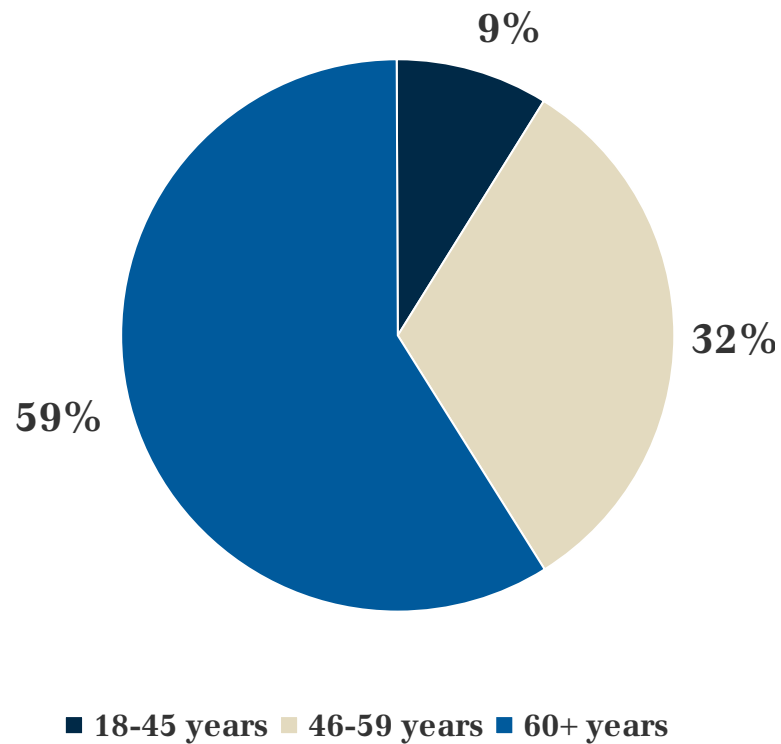
*“These findings speak to the Canadian spirit of multiculturalism and how this country fosters an environment that helps individuals to succeed and thrive,”*

*“Attracting the best and the brightest demonstrates the relative prosperity and openness of Canada’s economy. This, in turn, bodes well for long-term wealth generation.”*

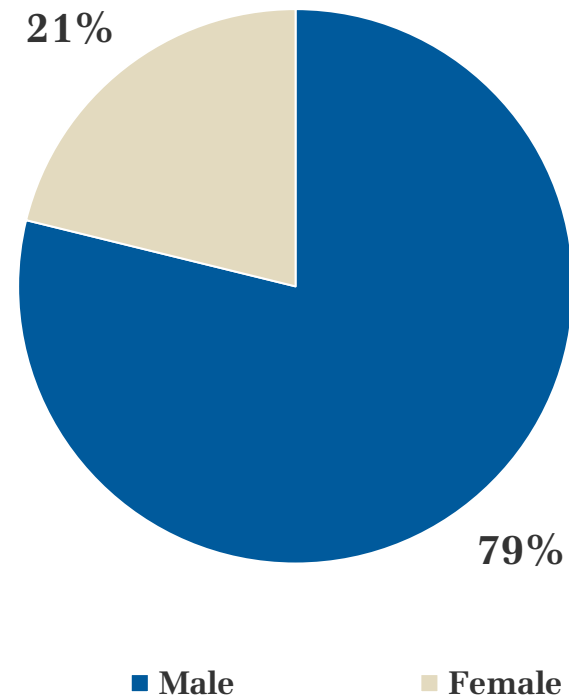
**- Andrew Auerbach**  
Head of BMO Harris Private Banking

# Demographics of HNW Canadians

## Age Breaks

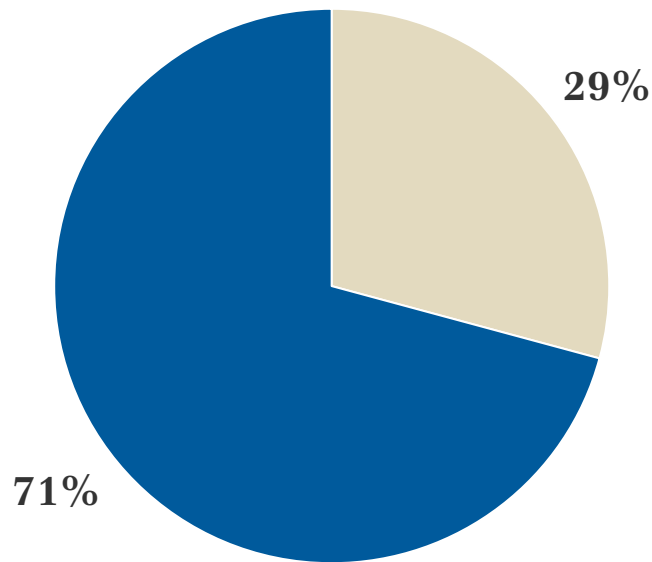


## Gender Breaks



# Affluent New Canadians

Length of Time in Canada



- Not born in Canada
- Born in Canada/lived here all my life

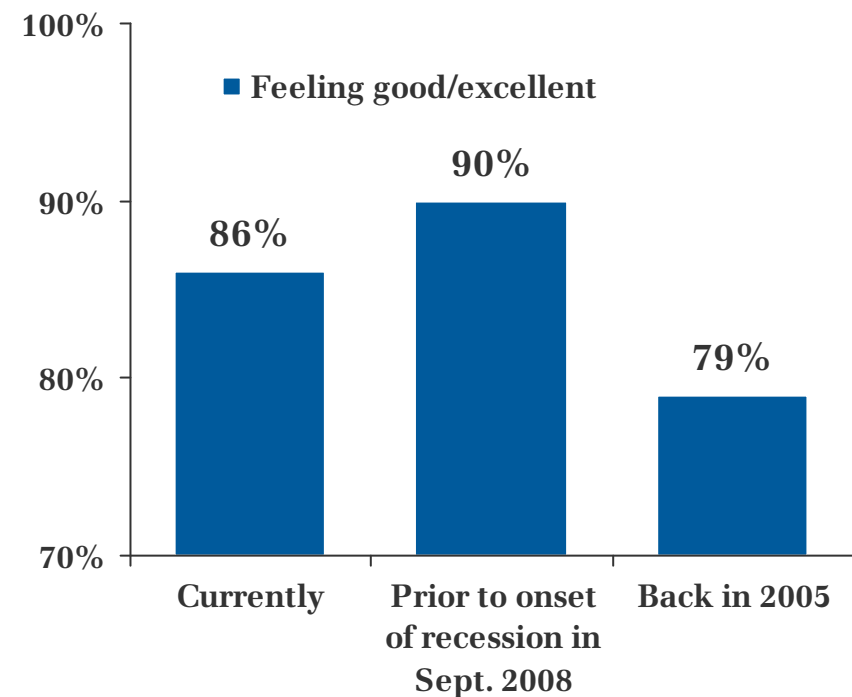
- Almost one-third of high net worth Canadians were not born in Canada
- The findings speak to the Canadian spirit of multiculturalism and how Canada fosters an environment that helps individuals to succeed and thrive
- Almost all affluent new Canadians keep the bulk of their wealth in Canada

# Key Findings

# HNW Canadians are feeling good about their plans

- Savings and investment plans appear to be working for High Net-Worth Canadians. The majority (86%) say they feel excellent/very good about their current plan/strategy. In light of the economic crisis of the past couple of years, this finding is quite reassuring. Furthermore:
  - 90% say they feel excellent/very about their plan/strategy prior to the onset of the recession in September 2008
  - 79% say they feel this way about their plan back in 2005

Feelings Towards Savings/Investment Plan/Strategy

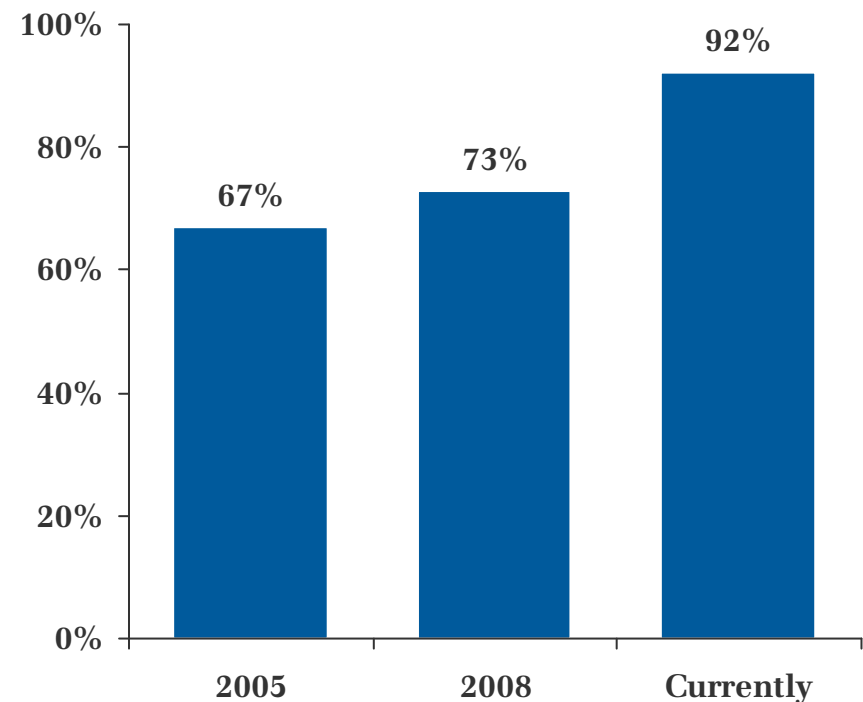




# Tax-Free Savings have gained popularity

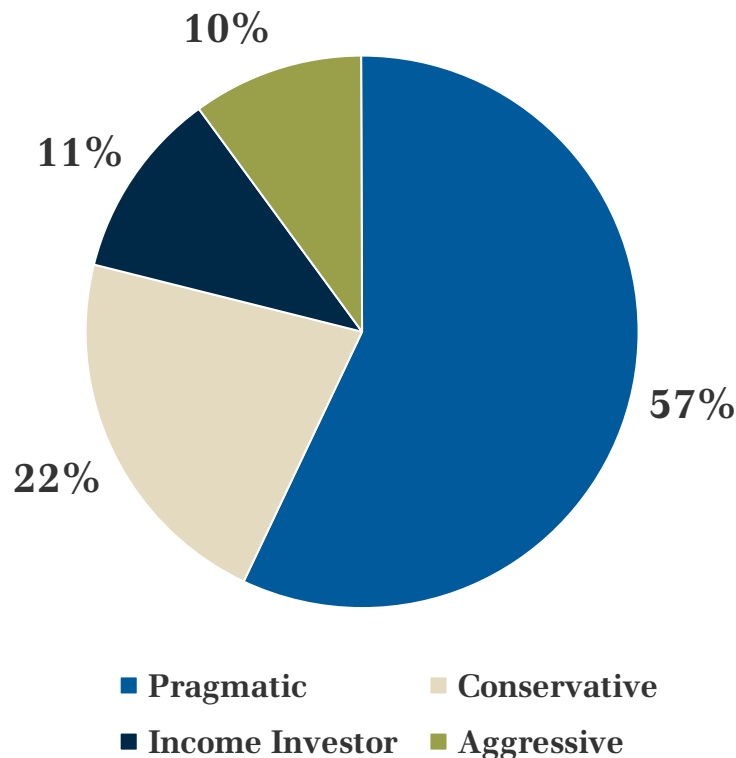
- 92% High Net-Worth Canadians report currently holding tax-free savings investment vehicles – as compared to 73% at the onset of the recession and 67% in 2005
- Those with a *conservative* investment style are least likely (24% vs. 40-45%) to cite the long-term savings benefit. They are, however, more likely than their *income investor* counterparts (38% vs. 22%, respectively) to cite the immediate tax benefit

Popularity of Tax-Free Savings



# HNW Canadians = Pragmatic investment style

Personal Investment Style

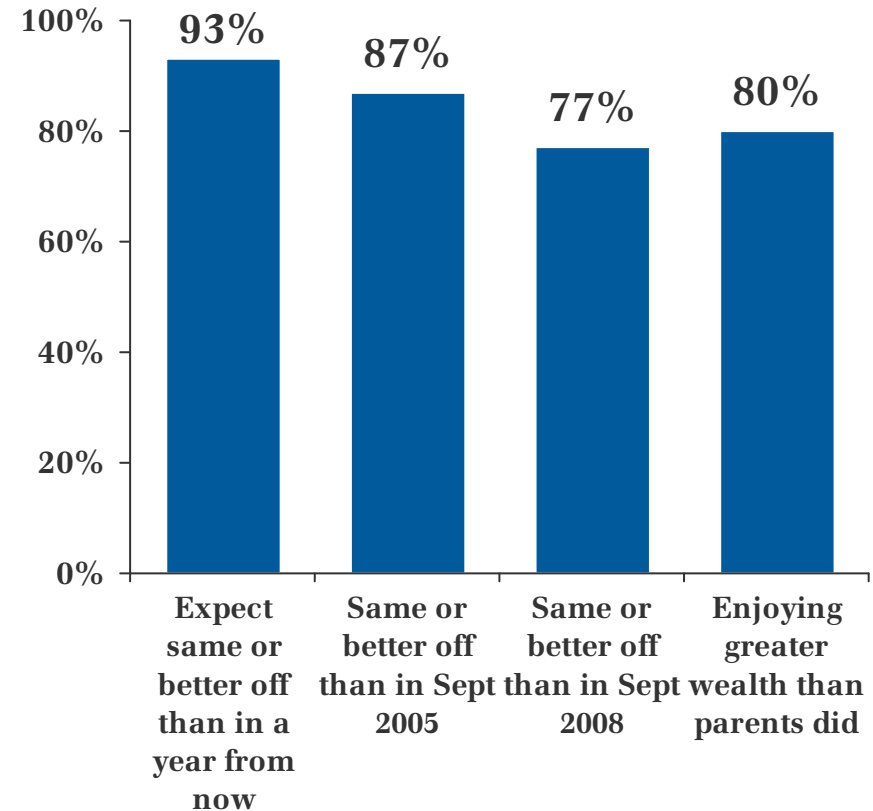


- 57% of respondents describe their investment style as ***pragmatic*** (e.g. looking for a balance between risk and return)
- Older respondents (60+) are more likely to describe themselves as ***income investors*** (e.g. looking to preserve current assets and earn income from investments)
- Those who have money invested in a business are least likely to define their style as ***conservative*** (4% vs. 20-24%)

# HNW Canadians enjoying greater wealth than their parents

- Overall, it would appear HNW Canadians are feeling comfortable with their financial stability; 77% of respondents said they are the same or better off than in September 2008
- 58% of respondents agree that their children will be able to manage their wealth (i.e., financial knowledge expected to be passed on to next generation of HNW Canadians)

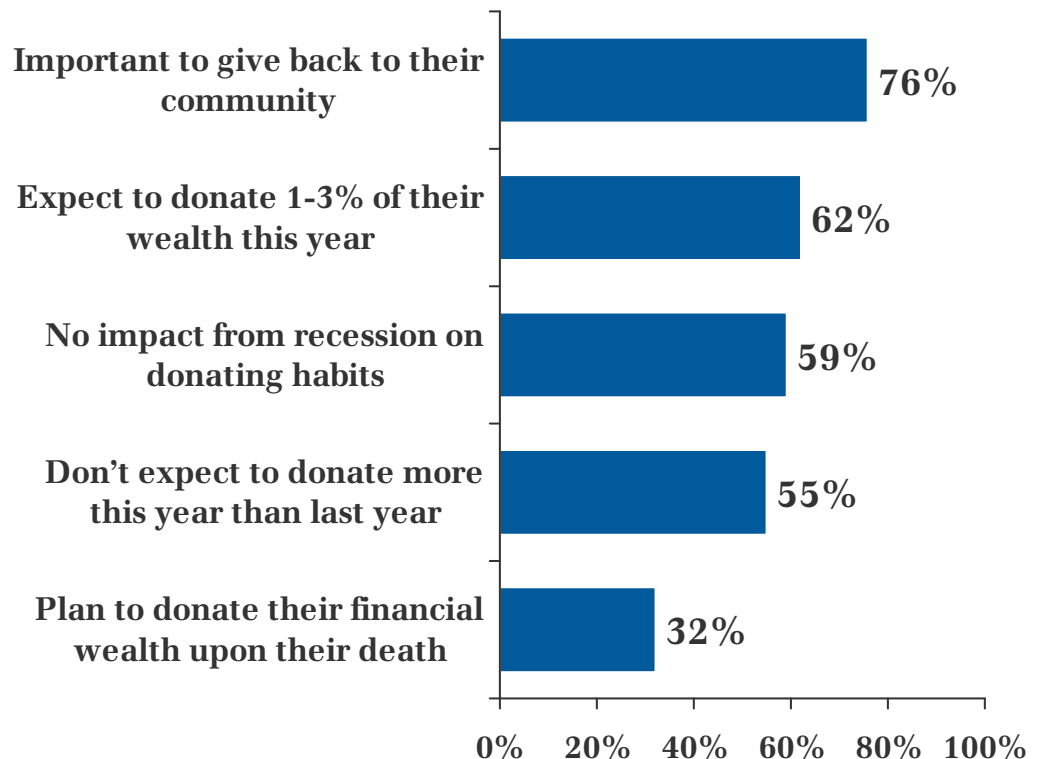
## Outlook on Financial Situation



# Important to give back to their community

- 62% of HNW Canadians say they expect to donate between 1-3% of their financial wealth this year
- Overall, donating habits don't appear to be shifting. About half (55%) of respondents say they don't expect to donate more this year than they did last year
- Majority of respondents indicate that the recession or the growing focus on the environment has not impacted donated habits

## Outlook on Giving Back



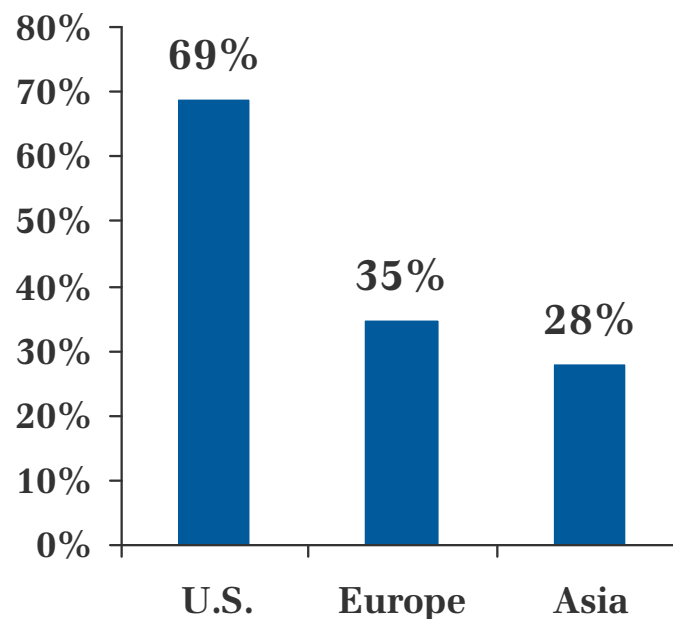
# Feeling not treated fairly in taxation

- Sentiments skew towards the **negative** in how respondents feel they're being treated when it comes to taxation
  - 37% feel they're treated fairly in this domain
  - 48% disagree
    - **Income investors** (64%) are more likely to disagree with this statement than those who are **conservative** (38%) or **pragmatic** (49%)
    - Those who are 60+ years of age (42%) are least likely to share this sentiment (vs. 55-60%)
- **66%** of HNW Canadians say they would like to see lower capital gains/income taxes
- **Pragmatic** (12%) are more likely **income investor** (4%) to say they'd like to see more incentives to donate to charity

# Where are the wealthy investing?

- The affluent in Canada have faith in our economy – with the majority keeping most of their wealth invested in the Canadian market
- About four in ten HNW Canadians allocate a portion of their wealth outside the country
- The emergence of Asia as a key market for Canadian HNW:
  - The growth in Asian markets have made them solid choices for any investor to consider
  - However, it's important to do your due diligence and seek out the advice of a financial professional before making any large investment commitments

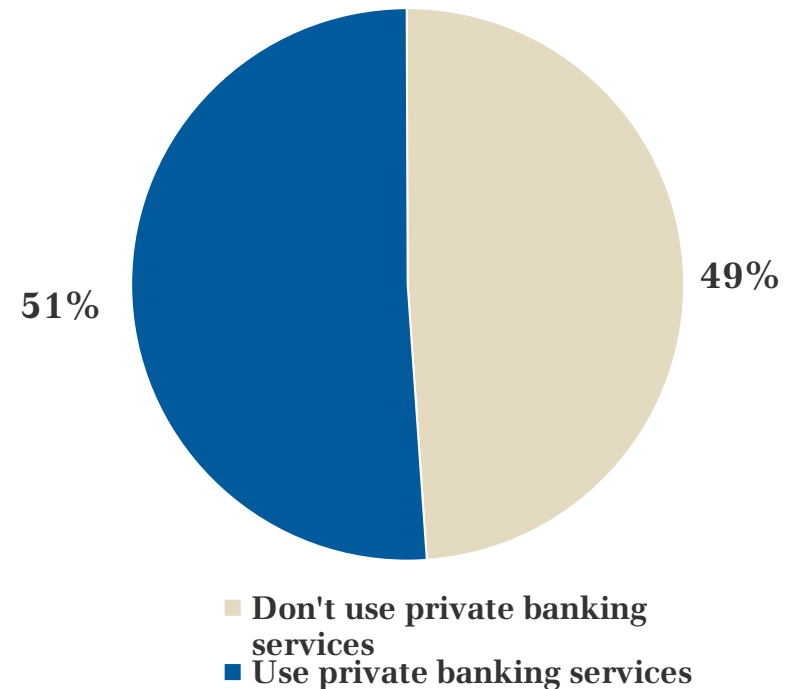
Allocating a Portion of their Wealth Outside of Canada



# Half of High Net-Worth Canadians don't use private banking

- Those who don't use private banking services, state being satisfied with their current banking services (51%)
- Those who use private banking services have high level of confidence in the effective management of their money
- **24% income investors** being least likely to report using such services

Private Banking Services



# The BMO Harris Private Banking Advantage

- At BMO Harris Private Banking, we challenge successful Canadian families to take action on what's important to drive exceptional outcomes today and through times of transition
- We are a creative and caring team of professionals. Our people support our clients with their coordinated efforts and confident execution. Our commitment to helping our clients is evident in everything we do. We want to make it easier for our clients to make the most of the opportunities their wealth provides for them and their family.
- BMO Harris Private Banking is well positioned to assist New Canadians manage their wealth and related issues
- We have an international presence – US, China and Europe
- We have offices in all major urban centers in Canada (34 offices in total)
- Our staff are able to service our clients in a variety of languages – including Mandarin/Cantonese, Hindi, Punjabi, Spanish, Korean, Italian, Russian, etc.



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