

PART I

DEEP-DIVE INTO THE PRIVATE INVESTMENTS OF ELITE ENTREPRENEURS



BNP PARIBAS
WEALTH MANAGEMENT

The bank
for a changing
world



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In a world that is ever-changing, entrepreneurs seek to build their strategy with a partner they trust. At BNP Paribas Wealth Management, we are able to serve them through a holistic approach across Europe, Asia and the United States, whether by helping them grow their company or by managing their personal wealth."



Sofia Merlo

Vincent Lecomte

WELCOME

TO THE 2019 GLOBAL ENTREPRENEUR REPORT FROM BNP PARIBAS WEALTH MANAGEMENT.

For the fifth consecutive year, we have strived to uncover the impact on the global economy of 2,763 Elite Entrepreneurs with a total wealth of USD16 billion, across Europe, Asia, the United States and the Middle East. Each year, we have focussed on a different lens, illuminating entrepreneurial motivations and ambitions.

This year, we have spotlighted entrepreneurs' investments to understand how these leaders are using their talents to bring a different approach to asset allocation and portfolio building. In this first of two parts of the **BNP Paribas Global Entrepreneur Report** (Part II will be released in spring 2019), we explore the ways in which Elite Entrepreneurs are adapting their choices in a fast-moving and often volatile investment climate.

We found that entrepreneurs are using their **personal wealth to gain exposure to high-growth sectors**, benefitting from rising market conditions. They also actively make private investments into high-potential companies. Those at the highest end of the

wealth scale – ultra-high net worth entrepreneurs – are eager to engage in the real economy through private equity and venture capital.

In last year’s report, we found that 40% of multi-millionaire entrepreneurs viewed positive impact as a key metric of business performance. This year, we observe that this trend is reflected in their view of responsible investing, which they consider a high potential opportunity.

Entrepreneurs have very specific needs across their personal and professional activities. We provide them with tailored solutions, including wealth planning and investment solutions. We also draw on the wide expertise of BNP Paribas, be it from our corporate and institutional banking, our retail banks, or from our asset management and our real estate business.

To respond to their appetite to contribute to the world economy and their need to give a meaning to their financial investments, we have accelerated the development of private equity products aiming to raise almost one billion euros in 2018 and we broke the bar of EUR13.5 billion of clients’ assets invested in responsible investments. To guide entrepreneurs looking for attractive market opportunities, our international network of Investment Officers is well-placed to provide local market intelligence coupled with a global view.

Lastly, we foster entrepreneurship and facilitate business opportunities by creating long-term initiatives such as the 4th edition of the “Women Entrepreneur Program at Stanford University”, illustrating our commitment to promote entrepreneurship among women, and the 1st edition of the “Sustainability Leadership Programme at Cambridge University”, developing individual leadership capacities to deliver positive and sustainable impact in business.

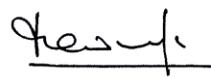
We accompany some of the world’s most demanding entrepreneurs. As a responsible Private Bank serving the economy, our objective has always been, and continues to be, to improve our own understanding of how to support entrepreneurs in their wealth creation strategies.

This is the purpose of the report.

#PositiveBanking



Sofia Merlo
Co-CEO BNP Paribas
Wealth Management

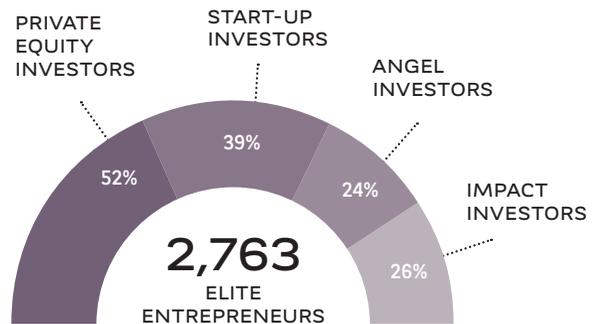


Vincent Lecomte
Co-CEO BNP Paribas
Wealth Management

The research program was undertaken by Scorpio Partnership between July and August 2018. The audience of participants were high-net-worth and ultra-high-net worth investors that owned businesses.

The research methodology involved an online survey programme with 2,763 participants spanning 23 countries. In addition, Scorpio Partnership conducted in-depth interviews with BNP Paribas Wealth Management experts from Europe, USA, Asia and the GCC.

TOTAL SAMPLE & INVESTORS' PROFILES



ON AVERAGE

USD5.8 M
NET WORTH

2.8
COMPANIES STARTED

USD7.0 M
TURNOVER OF
PRIMARY COMPANY

166
EMPLOYEES

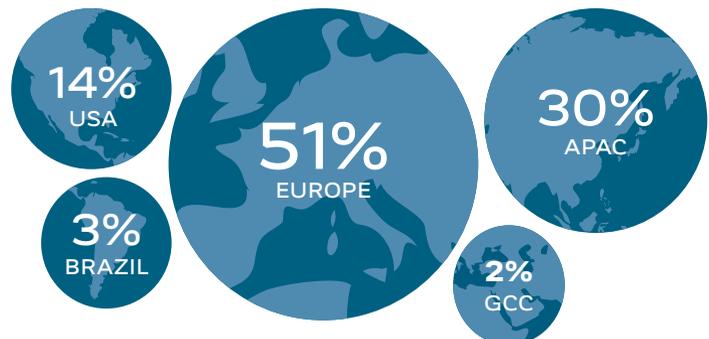
GENDER



REGIONS

COUNTRIES COVERED IN SAMPLE:

Belgium, Brazil, China, France, Germany, GCC, Hong Kong, India, Indonesia, Italy, Luxembourg, Netherlands, Poland, Russia, Singapore, Spain, Switzerland, Taiwan, Turkey, United Kingdom and the USA.



Throughout this report, we use the following definitions:

- **High net worth entrepreneur (HNW):** Entrepreneur with investable assets valued between USD10 million and USD25 million.
- **Ultra-high net worth entrepreneur (UHNW):** Entrepreneur with investable assets valued at USD25 million or more.

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For the first time in our five-year study,

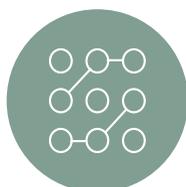
EQUITIES

are entrepreneurs' top portfolio choice

Successful business owners have responded enthusiastically to rising stock markets and now invest 20.2% of their total wealth in equities – their highest allocation. The exception is UHNW entrepreneurs, whose heaviest weighting remains their own businesses.

Technology comes out on top as the global sector favourite

55%



of entrepreneurs have invested in technology companies, usually directly or through mutual funds. The appetite for tech is most voracious in Belgium, India and Singapore, where more than seven out of ten hold investments in this sector.



PASSIVE STRATEGIES

are on the rise, particularly in Asia

Just over a third (36%) of entrepreneurs have invested through exchange-traded funds (ETFs). Passive vehicles are popular for their liquid exposure (particularly important for tech and financial services stocks) and are most likely to be used in Hong Kong.



RESPONSIBLE INVESTING

is a top five growth opportunity

Across the world, entrepreneurs consistently place sustainable and responsible investment (SRI) in their top five choices for growth potential: those based in China, the UK and Spain are most convinced. UHNW entrepreneurs go further and put SRIs in their top two sectors for future investments.

Responsible investors are now closely scrutinising

RETURNS

One year ago, returns were rarely cited as a motivation for SRIs. Now they are the primary reference point for 'Impact Seekers'. UHNW entrepreneurs take a different approach to assessing outcomes – 54% focus on enhancing access to healthcare.

Almost two thirds of entrepreneurs use advisory for portfolio management

63% of entrepreneurs manage their investment portfolios through an advisory mandate, a popular approach in Taiwan and Singapore in particular. Entrepreneurs rely on their wealth advisors and their research to source investment ideas; professional advice becomes critical when selecting promising private equity opportunities.



HNW entrepreneurs prefer PRIVATE EQUITY for direct investments

63% of HNW entrepreneurs use private equity. The country hotspots where entrepreneurial take-up of this asset class is highest are India, Russia, Turkey, Spain and the GCC.

UHNW entrepreneurs want to have an impact on THE REAL ECONOMY

The wealthiest (UHNW) entrepreneurs invest in search of tangible outcomes: 58% use private equity and over half rely on venture capital to make business investments. Additionally, 29% invest in line with their personal passions such as vineyards, classic cars and art.

Entrepreneurs who have angel investments want to be PIONEERS OF INNOVATION

PIONEERS OF INNOVATION

Just under a quarter (24%) of global entrepreneurs are 'Business Angels', rising to almost a third of UHNW entrepreneurs. In Europe, they are most visible in Belgium, Italy, Poland, the UK and the Netherlands. Artificial intelligence is their best bet for future growth: in fact, 54% of entrepreneurs in China are already working with businesses focussed on AI.



Female Business Angels place more value on mentorship opportunities

56%

of female Business Angels cite the opportunity to mentor other entrepreneurs as a motivation, compared to 50% of men. Specifically, 62% of female Business Angels say they are excited about supporting promising, early-stage local businesses.



SECTION 1

SUCCESSFUL ENTREPRENEURS'
**INVESTMENT
CHOICES**

PORTFOLIO
ALLOCATION SNAPSHOT:
**THE YEAR
OF EQUITIES**



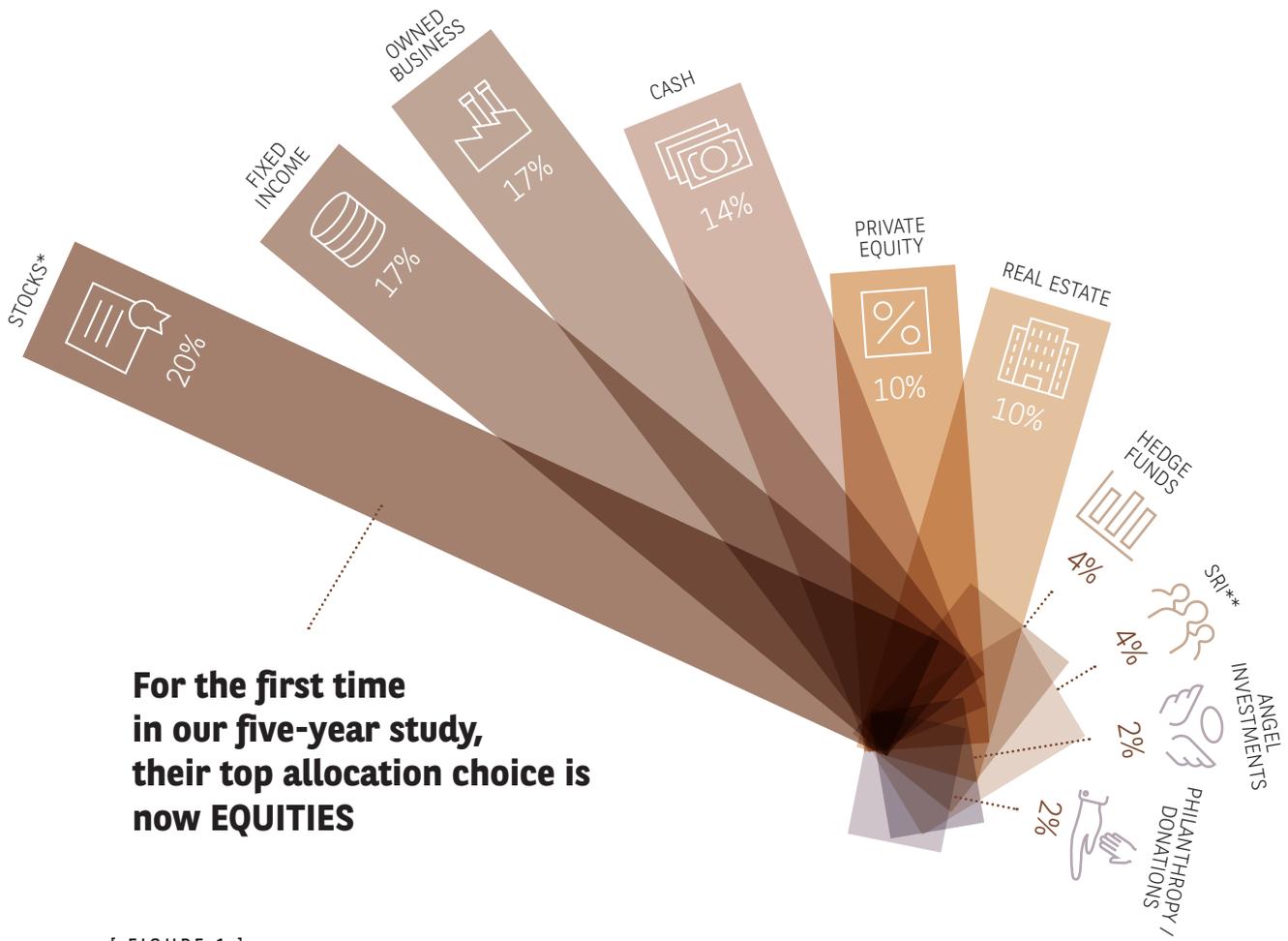
Every year, we identify the Elite Entrepreneur's financial portfolio to showcase emerging investment trends. In previous years, we have found diversification to be the overriding objective and usually observed that the largest proportion of total wealth is invested by entrepreneurs into their own businesses.

However, following unprecedented gains in global stock markets over the past 12 months, it is clear that entrepreneurs have been determined to benefit from that growth story. **For the first time in our five-year study, their top allocation choice is now equities** [Figure 1], accounting for a fifth (20%) of their financial portfolio. In the US, where Wall Street has hit record highs this year and is in its longest ever uninterrupted bull run, the allocation of total wealth to equities is greater still, at 28%.

In Asia, take-up of equities across the region is in line with the global average but notably more muted in India and China than in Hong Kong, Singapore or Taiwan.



Approximately what is the current allocation of your total financial portfolio across the following asset classes?



For the first time in our five-year study, their top allocation choice is now EQUITIES

[FIGURE 1]
TYPICAL PORTFOLIO OF THE 2019 ELITE ENTREPRENEUR

* Not including shares from owned businesses.
** SRI (Sustainable and responsible investments).

This chart illustrates the average allocation across each asset class based on all responses (N = 2,763).
Not all entrepreneurs are allocated to all asset classes.

Source: 2019 BNP Paribas Global Entrepreneur Report

Garth Bregman is Head of Investment Services (Asia Pacific) for BNP Paribas Wealth Management. He explains how global portfolio allocation choices have changed over the past 12 months:

The primary difference is that a year ago, investors were very bullish. What you will find today amongst entrepreneurs globally is that equity sentiment is best in the US, middling in Europe and most muted in Asia. Many of the Asian stock markets are currently in bear territory, even in tech. There are concerns about rising interest rates, worries about the hit to emerging market currencies, fear over macro-economic and political contagion from Turkey and Argentina, worries over the China trade talks. There are many factors that don't loom as large if you are an equity investor based in Europe or the US."

Turning to their other allocations, entrepreneurs maintain similar exposure to fixed income as to their owned business (17%). Cash comprises the next most substantial tranche, at 14%. Real estate and private equity each account for almost a tenth of their wealth, with the remaining eighth split between hedge funds (4%), SRIs (4%), angel investments (2%) and philanthropy (2%).

There are some clear (and to be expected) differences in how entrepreneurs invest their wealth across the globe. For instance, **in the US, entrepreneurial portfolios are typically more liquid than other regions**. Only 38% of average wealth is allocated to illiquid asset classes such as hedge funds, real estate or investments into companies (through their own firm's shares, private equity and angel commitments).

These choices contrast with the trends visible in Europe, where 46% of average wealth is illiquid, mostly as a result of higher allocations to real estate and shares in their own companies.

Each market has distinct preferences. For instance, Dutch entrepreneurs have invested more than a third of their wealth into their own businesses (35%), while those in Switzerland make the highest allocation globally to private equity (15%). In France, entrepreneurs have an unrivalled appetite for investing in hedge funds (6% of their portfolio) and the second highest allocation in the world to private equity (14%).

Real estate continues to be attractive: in Europe, entrepreneurs in Belgium and Luxembourg are most convinced and have invested more than a quarter of their global wealth into this asset class.

Equities are not, however, the top portfolio preference of the most successful entrepreneurs. Unlike their HNW peers, their highest allocations are towards their own businesses, where they hold an average of 19% of their total wealth. Evidently, UHNW entrepreneurs anticipate substantial returns from these investments into their own companies.

Mr Bregman continues:

It is clearly the case for many UHNW entrepreneurs, but not all, that they take a lot of concentrated risk in their businesses and therefore want to keep financial assets for safety. If they are still running their business, they know they can expect better returns from their businesses than stock markets but must also be careful with any assets taken out of the business, hence the preference for fixed income. Once they have totally cashed out, you'll often find higher equity allocations."

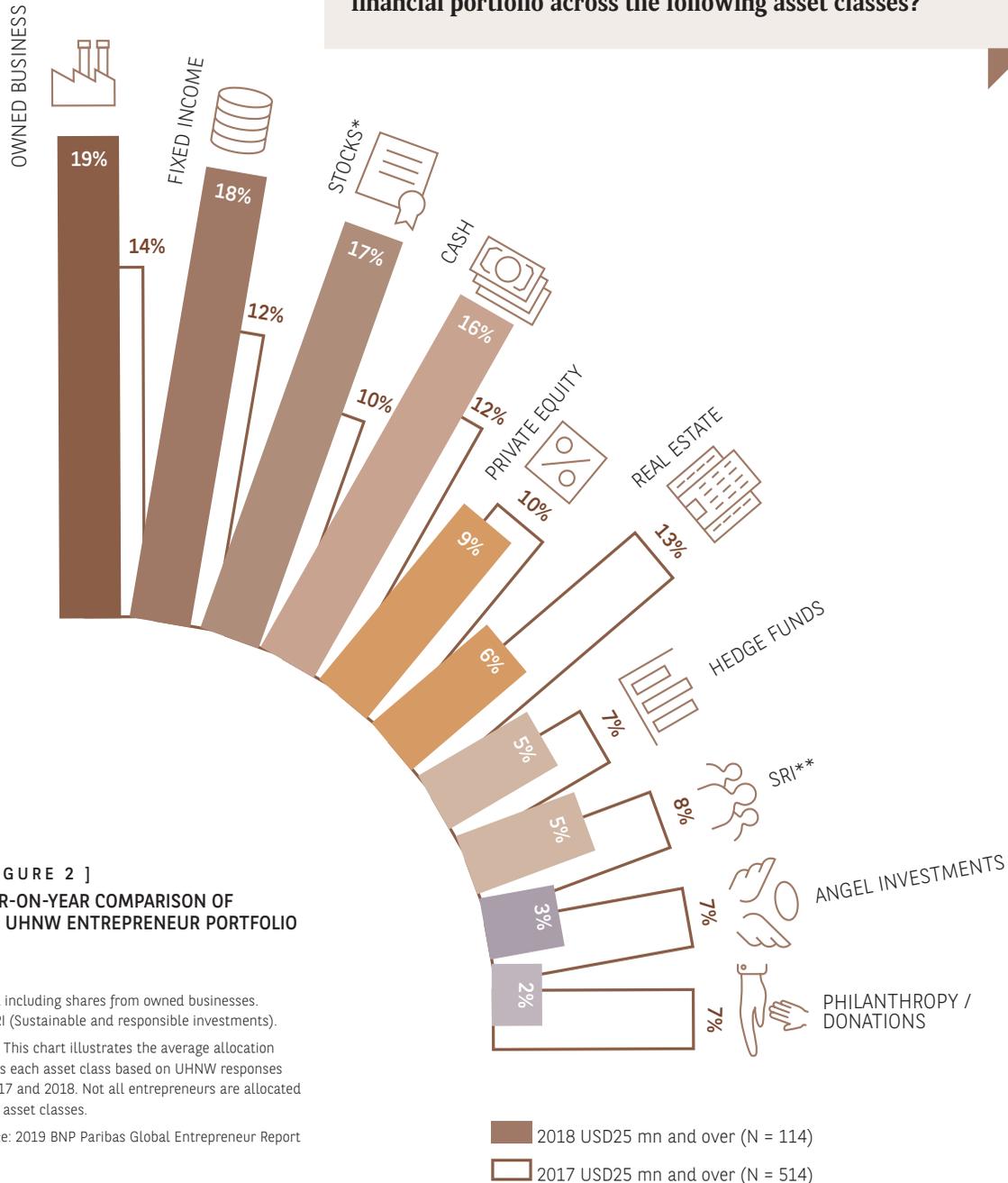
The typical UHNW business owner has halved their allocations to real estate

A closer scan of the UHNW portfolio pinpoints some important developments since 2017. Over the past 12 months, **the typical UHNW business owner has halved their allocations to real estate** [Figure 2]. In 2017, the average UHNW invested 13% of their wealth into this asset class; by 2018, this had fallen to just 6%. In contrast, their equity allocations have surged from 10% to 17%, and a far higher proportion is now assigned to fixed income (18%) than 12 months ago. Year-on-year, they appear to have scaled back their exposures to alternative asset classes to more effectively position themselves for growth.

Khurram Jafree is Head of Investment Services in the Middle East and Africa for BNP Paribas Wealth Management. He explains:

The big difference between the last few years and this year has been the increase in interest rates. Over the past 20 years, interest rates have generally moved in a downwards direction, becoming close to zero and even negative in some cases. This year, interest rates have begun to rise again, which will have an effect on the investment part of the portfolio as well as the funding part. This is a region where UHNW entrepreneurs have a particular theme in mind, usually global, because they look for income."

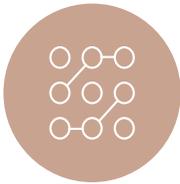
Approximately what is the current allocation of your total financial portfolio across the following asset classes?



**[FIGURE 2]
YEAR-ON-YEAR COMPARISON OF
THE UHNW ENTREPRENEUR PORTFOLIO**

* Not including shares from owned businesses.
 ** SRI (Sustainable and responsible investments).
 Note: This chart illustrates the average allocation across each asset class based on UHNW responses in 2017 and 2018. Not all entrepreneurs are allocated to all asset classes.
 Source: 2019 BNP Paribas Global Entrepreneur Report

THE INSATIABLE APPETITE FOR TECHNOLOGY INVESTMENT



Although equities allocations have become more attractive to entrepreneurs because of surging global stock markets, it is well known that this upswing is partially being driven by the exceptional growth in the valuations of four titans: Google, Amazon, Facebook and Apple (or GAFA).

Unsurprisingly, not all entrepreneurs are interested in these specific companies. A majority are, however, so intrigued by the broader potential of the technology sector that they have already sought access to it through their investments. **Globally, 55% currently invest in technology companies – more than any other sector** [Figure 3]. In fact, they are more likely to invest in tech than financial services, retail, telecommunications and pharmaceuticals.

Mr Jafree explains:

We can split growth sectors into more secular themes or “mega trends”. They are here to stay, such as artificial intelligence or robotics. Infrastructure and urbanisation are other good examples. Then you have emerging preferences coming through, which is what we see with millennials – they’re very different in the way they think and are driving innovation, for example, in impact solutions. Even if they are UHNW, they take a different approach to older generations in terms of where they will and will not invest.”



In some countries, the faith in the technology sector as a driver of portfolio growth is even stronger still. In Belgium, nearly four in every five entrepreneurs has invested in this thematic; those based in India (74%) and Singapore (70%) are not far behind. In fact, in none of the five regions researched does the take-up of technology stocks drop below half of the entrepreneurial population.

Prashant Bhayani is Chief Investment Officer (Asia) of BNP Paribas Wealth Management. He says:

We have been featuring various tech themes over the years in Asia, whether it's mobility or electric vehicles or car batteries. There are a lot of Asian companies with local market expertise: say, supply chain and manufacturing in Taiwan and China, or IT services in India. In 2017 and 2018, big themes included AI, Internet 2.0 and mobility. E-commerce is taking off in a lot of countries across the region, so are robotics and automation in manufacturing. In the short-term, the tech sector has out-performed and as a result the NASDAQ is up double digits."

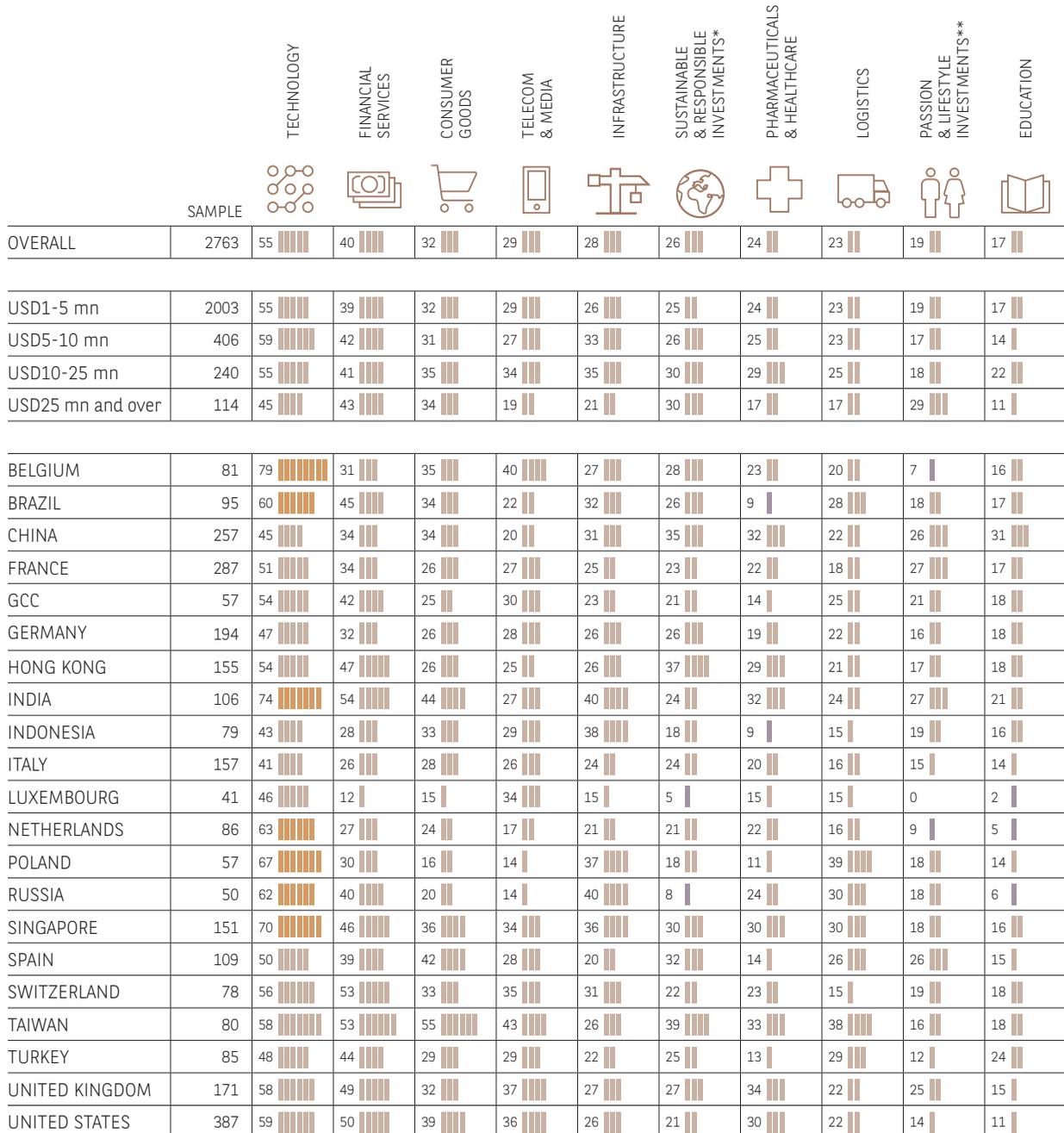
Underlying Mr Bhayani's comment is the fact that **64% of those who have invested in technology companies have done so directly**, indicating that they have made their selections on the basis of a specific firm (and tech theme) in which they are interested.

Mutual funds are also extremely popular for accessing this sector. Increasingly, so are exchange-traded funds (ETFs) with a technology overlay, which offer a cheaper alternative to access the stock market.



64%
of those who have
invested in technology
companies have done
so directly

Does your current investment portfolio give you exposure to any of the following sectors or themes?



[FIGURE 3] ENTREPRENEURS' THEMATIC INVESTMENTS

* e.g. environment, combating climate change.

** e.g. classic cars, art, vineyards, forestry.

The chart above illustrates the percentage of respondents who have exposure to the listed sectors.

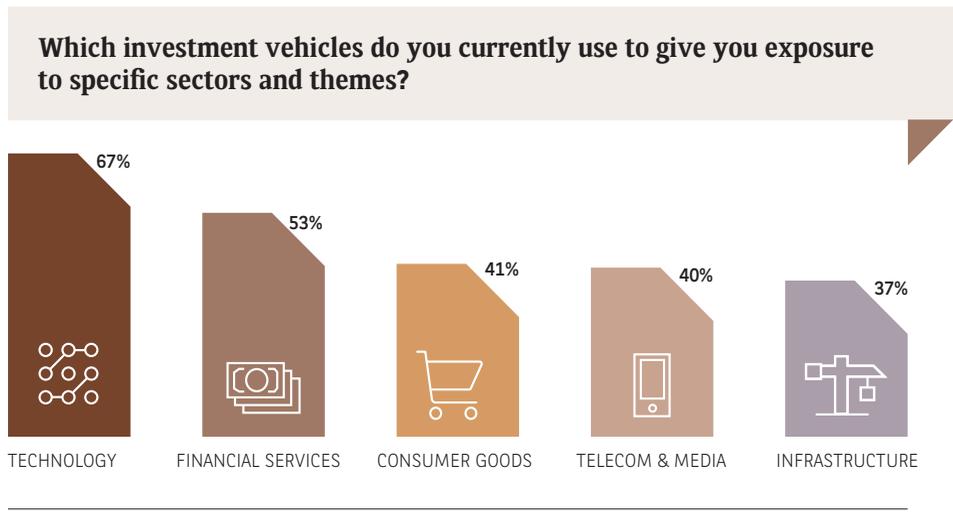
Source: 2019 BNP Paribas Global Entrepreneur Report

ETFs, for example, provide similar diversification advantages to index-linked mutual funds but with lower fees. Although generally assumed to be most interesting to millennials, we find that they are proving attractive to a broader demographic. **Just over a third (36%) of the research audience currently use ETFs, predominantly to gain exposure to stocks in technology, financial services and consumer goods companies** [Figure 4]. Those over the age of 55 are just as likely to see the benefits of such vehicles as those under 35.

Elite Entrepreneurs based in the US and Asia – particularly Hong Kong, Singapore and Taiwan – have embraced ETFs with most enthusiasm, but take-up in most other regions is not far behind.

Reacting to this insight, **Mr Bhayani** comments:

Passive is definitely here to stay. It's access to high liquidity at low cost. We recommend passive investments – for example, in US equities, you don't need active managers so much, as there is a smaller spread in terms of the best performing managers relative to the worst. However, if you are using passive for tech you have to be careful as there is very high concentration on a small number of 'big tech' stocks."



[FIGURE 4] SECTOR EXPOSURES USING ETF INVESTMENTS

The chart above illustrates the distribution of specific sectors and themes using ETF investments. N = 634

Source: 2019 BNP Paribas Global Entrepreneur Report

DEFINITION: An exchange-traded fund (ETF) is a marketable security that tracks an index, a commodity, bonds or basket of assets.

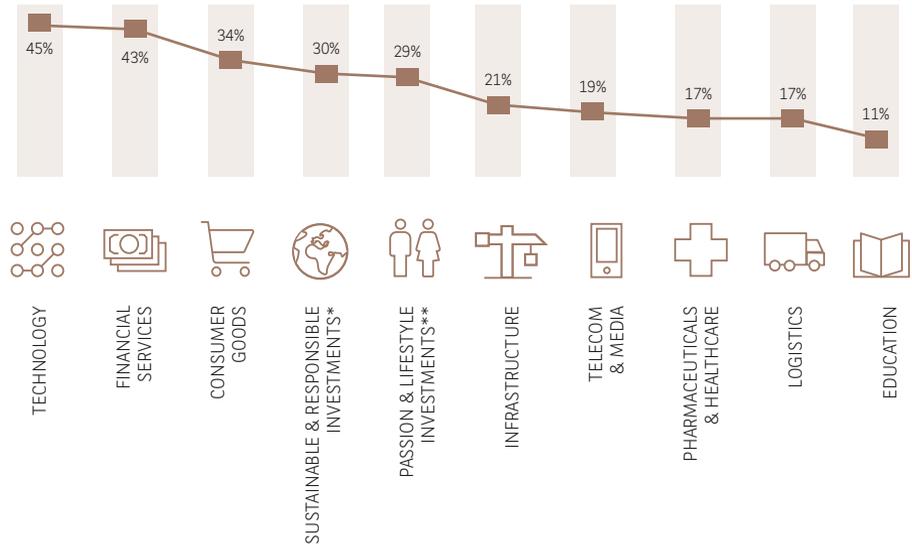
Does your current investment portfolio give you exposure to any of the following sectors or themes?

[FIGURE 5]
TOP THEMATIC INVESTMENTS FOR UHNWS

* e.g. environment, combating climate change.
** e.g. classic cars, art, vineyards, forestry.

Note: This chart illustrates the top thematic investments for UHNWs.
N = 114

Source: 2019 BNP Paribas Global Entrepreneur Report



He adds:

The fund manager's goal is to pick the winners and lose the losers but that becomes difficult when there is this concentration around big tech. That's where we think active can also add value."

Among UHNW entrepreneurs, the interest in thematic investments is not restricted just to technology. Indeed, **the wealthiest entrepreneurs are most likely to make responsible and 'passion' investments.** 30% have made allocations to sustainable and responsible investments [Figure 5]. A similar proportion have focussed on diversified investments aligned to their interests, such as collecting classic cars, art or vineyards.

This finding comes as no surprise to **Claire Roborel de Climens**, who is Global Head of Private and Alternative Investments at BNP Paribas Wealth Management. She observes:

UHNW clients will often have a highly personalised mix of interests in art, property, vineyards, etc, reflecting their passions and their values. It is important to remember that these are financial investments in the end and are an important means of diversifying their wealth. They are also easier to keep in the family than traditional asset classes."

THE EVOLVING MIND-SET ON RESPONSIBLE INVESTMENTS



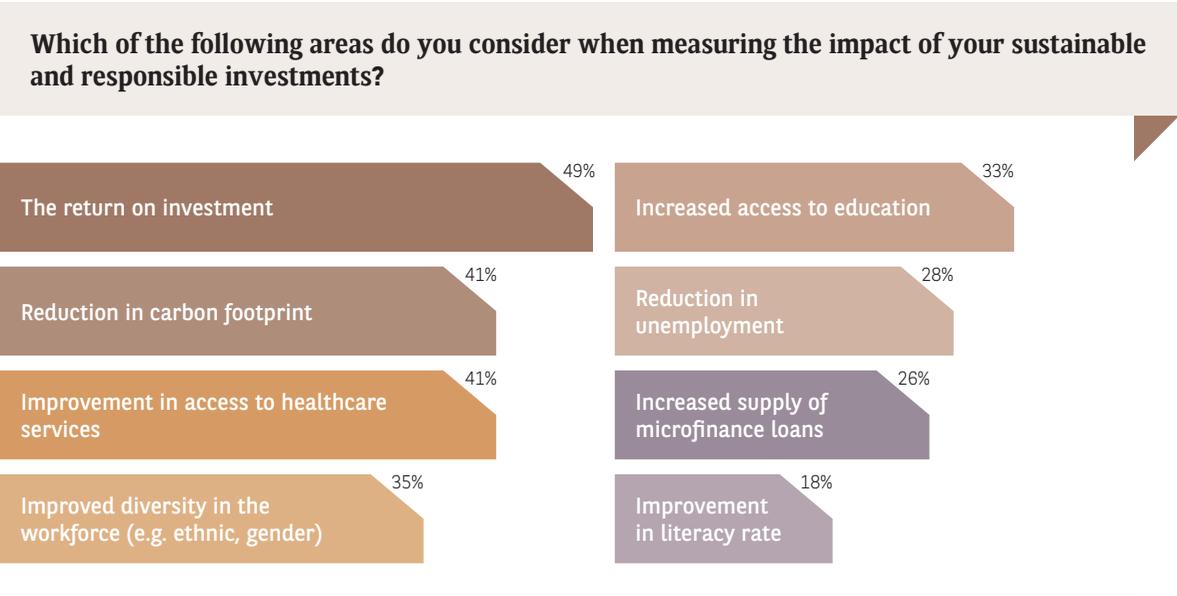
One of the key findings uncovered by the 2018 BNP Paribas Global Entrepreneur Report was surging entrepreneurial interest in contributing to better social and environmental outcomes. We discovered that almost 40% of business owners considered positive impact a key success metric in business, compared to just 10% in 2016.

Our research clearly showed that entrepreneurs felt strongly about making a difference to the world around them through their portfolio choices. Moreover, Elite Entrepreneurs were observed to target distinct causes depending on where they lived. Safeguarding the environment was the top priority in Asia; job creation the focus in the US and GCC; and transitioning towards clean energy most important to those resident in Europe.

When asked to identify how they evaluate the impact of their responsible investments, almost half of all entrepreneurs globally now point to returns.

Just 12 months ago, their primary reason for investing in SRIs was that they wanted their choices to reflect their values. Relatively few – just 18% – agreed at the time that they were particularly attracted to the returns generated by these investments.





[FIGURE 6] IMPACT METRICS FOR RESPONSIBLE INVESTMENTS

N = 781

Source: 2019 BNP Paribas Global Entrepreneur Report

This year, we observe an evolution in the entrepreneurial mind-set as scrutiny of the track record of SRIs comes to the forefront. Asked to identify how they evaluate the impact of their responsible investments, almost half of all entrepreneurs globally now point to returns [Figure 6].

The millennial viewpoint is particularly striking. These individuals are just as concerned with the returns on their responsible investments as their entrepreneurial peers. Nevertheless, they leverage a broad range of assessment criteria to determine a successful outcome. **Almost 40% of millennials reference the impact of their investments on challenges such as workplace diversity, provision of healthcare and education, or reducing carbon emissions.**

Eléonore Bedel, Head of Responsible Investments at BNP Paribas Wealth Management, explains the entrepreneurial perspective:

Entrepreneurs are used to following KPIs when managing their companies. They want to do the same when investing responsibly. And financial return is far from being the only factor anymore.

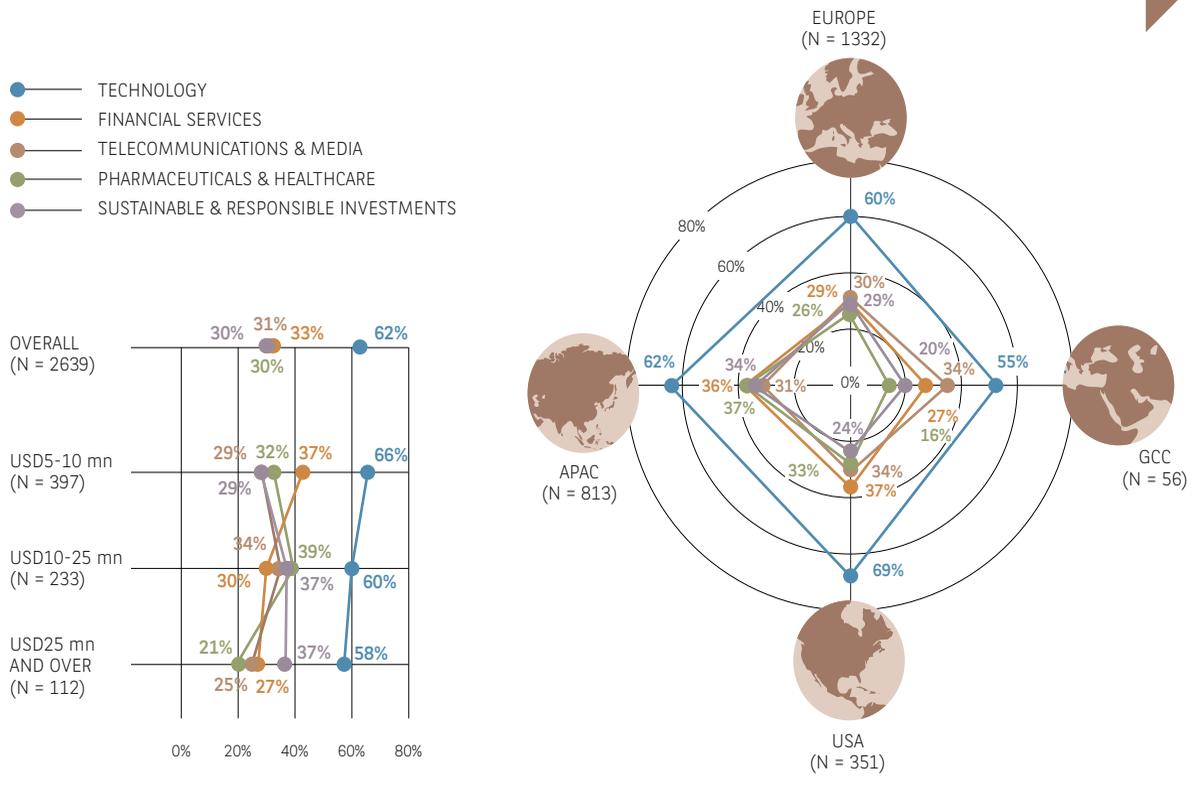
30%

believe that sustainable investments will be high growth in the future. In fact, it is considered a top five sector opportunity by entrepreneurs in Brazil, Asia, the GCC and Europe (indeed, in the UK, this sector features in the top two).

Entrepreneurs' interest in the returns generated from SRIs reflects another important shift: at a time of huge change, they are paying close attention to the growth trajectory of the sectors in which they invest. In five years' time, entrepreneurs anticipate that new commercial possibilities will emerge that have implications for the causes they hold dear, such as combating climate change and protecting the environment [Figure 7].

Over time, they feel more convinced that the future lies with firms that are acting now to tackle what will eventually be constraints on economic growth, such as inadequate social services and degrading environmental conditions.

Which of the following investment themes do you think offer the most growth potential over the next five years?



[FIGURE 7] GROWTH POTENTIAL - TOP FIVE INVESTMENT SECTORS

Source: 2019 BNP Paribas Global Entrepreneur Report



SECTION 2

THE
RISE
OF HIGH CONVICTION
INVESTMENTS

Spotlight on Four Distinctive Investor Profiles



BUSINESS ANGELS

Entrepreneurs that use angel investing to make direct investments into other businesses. Business Angels provide essential capital and wise counsel to the management team of a new firm

PROFILING



Population
664 Elite
Entrepreneurs
(24% of total sample)



**Average age
of entrepreneur**
38 years old



**Average Company
Revenue in 2017**
USD7.7 million

KEY FINDINGS

- **63%** invest using this vehicle in order **to benefit from higher investment returns**, while a further **60%** invest to gain exposure to **emerging technologies and innovative business ideas**.
- **HNW entrepreneurs** (USD10-25 million) are most interested in **supporting an early-stage business in their local market**, with 69% indicating this to be the reason why they make angel investments.
- **69% of ultra-high net worth entrepreneurs** (USD25 million and over) assert an interest in **gaining access to emerging technologies**.

TOP 5 MARKET HOTSPOTS

1	Belgium	36%
2	China	35%
3	India	35%
4	Italy	34%
5	Poland	32%

Source: 2019 BNP Paribas Global Entrepreneur Report

TOP 5 SECTOR INVESTMENTS

1	Technology	53%	
2	Artificial intelligence	33%	
3	Financial services	26%	
4	Virtual reality	25%	
5	Biotechnology	24%	

TOP 3 FUTURE SECTOR INVESTMENTS

1	Artificial intelligence	35%	
2	Big data	14%	
3	Virtual reality	13%	



START-UP SUPPORTERS

Entrepreneurs that make direct investments into start-ups, companies created less than 3 years ago

PROFILING



Population
1,071 Elite
Entrepreneurs
(39% of total sample)



**Average age
of entrepreneur**
38 years old



**Average Company
Revenue in 2017**
USD8.2 million

KEY FINDINGS

- **Growth potential of the sector** is the most important reason why **more than one in four (26%) entrepreneurs** choose to invest in start-ups.
- For **millennials aged 35 or younger**, the second most important reason driving their appetite for start-up investments is the **growth potential of the home market (14%)**.
- For **Start-Up investors aged 55 and over**, the **robustness of the business plan (17%)** is considered the next most important selection criteria.

TOP 5 MARKET HOTSPOTS

1	China	55%
2	Indonesia	53%
3	India	53%
4	Poland	51%
5	Spain	49%

Source: 2019 BNP Paribas Global Entrepreneur Report

TOP SECTORS WHERE START-UP SUPPORTERS RUN THEIR BUSINESSES

1	IT and digital technology	47%
2	Manufacturing and engineering	41%
3	Transport and logistics	39%
4	Retail and culture	36%
5	Financial services	35%

TOP CRITERIA FOR START-UP SUPPORTERS

1	The growth potential of the sector	26%
2	The growth potential of the home market	15%
3	The robustness of the business plan	14%
4	The appeal of the core product concept	11%
5	The calibre and potential of the founder(s)	8%



IMPACT SEEKERS

Entrepreneurs with exposure to Sustainable and Responsible Investments through their investment portfolios

PROFILING



Population
715 Elite
Entrepreneurs
(26% of total sample)



**Average age
of entrepreneur**
40 years old



**Average Company
Revenue in 2017**
USD6.7 million

KEY FINDINGS

- Over one in four **entrepreneurs (26%) aged 36 to 54** has exposure to Sustainable Investments through their existing investment portfolio, compared to only **22% of Boomerpreneurs aged 55 and over**.
- More than half invest responsibly using **SRI funds** and **impact investment funds**.
- **37% of UHNW entrepreneurs** believe Sustainable and Responsible Investments represent **the most promising growth potential** in the next five years.

TOP 5 MARKET HOTSPOTS

1	Taiwan	39%
2	Hong Kong	37%
3	China	35%
4	Spain	32%
5	Singapore	30%

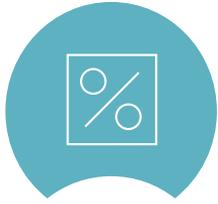
Source: 2019 BNP Paribas Global Entrepreneur Report

METRICS USED TO MEASURE IMPACT

1	The return on investment	49%
2	Reduction in carbon footprint	41%
3	Improvement in access to healthcare	41%
4	Improved diversity in the workforce	35%
5	Increased access to education	33%
6	Reduction in unemployment	28%
7	Increased supply of microfinance loans	26%
8	Improvement in literacy rate	18%

VEHICLES TO GAIN EXPOSURE TO RIS

1	Sustainable responsible investment (SRI) funds	60%
2	Environment social and governance (ESG) screening	54%
3	Impact investment funds	54%
4	Social impact bonds	46%
5	Green bonds	42%



PRIVATE EQUITY INVESTORS

Elite Entrepreneurs that use Private Equity as a business investment vehicle to make direct investments into other businesses

PROFILING



Population
1,437 Elite
Entrepreneurs
(52% of total sample)



**Average age
of entrepreneur**
39 years old



**Average Company
Revenue in 2017**
USD8.4 million

KEY FINDINGS

- **63% of HNW entrepreneurs** with a net worth of USD10-25 million have direct exposure to Private Equity investments, compared to **58% of UHNW entrepreneurs** with a net worth of more than USD25 million.
- **46%** of Private Equity investors gain exposure to these investments via a **private equity fund**, while the remainder are split between **direct investments** into unlisted operating companies (28%) and **co-investment deals** (26%).
- **55% of UHNW entrepreneurs rely on professional advisors** (such as family offices, investment consultants and wealth managers) to source private equity investment opportunities, while 27% rely on their own research.

TOP 5 MARKET HOTSPOTS

1	India	74%
2	Russia	72%
3	Turkey	72%
4	Spain	72%
5	Gulf Cooperation Council (GCC)	67%

Source: 2019 BNP Paribas Global Entrepreneur Report

TOP MOTIVATIONS

1	To benefit from higher investment returns	26%
2	To improve the value of a business before I sell it at a profit	22%
3	These investments align to my long-term goals	21%
4	To gain exposure to unlisted businesses with high growth potential	18%
5	To reduce the risk of volatility	13%

SOURCES OF OPPORTUNITIES

1	I rely on my wealth manager/financial advisor	27%
2	I rely on investment consultants	26%
3	I identify opportunities based on my own research	22%
4	I rely on my co-investment partners	16%
5	I rely on a family office	9%

THE GLOBAL PICTURE

ON ENTREPRENEURS' PRIVATE INVESTMENTS

Having attained significant success, entrepreneurs' minds naturally turn to how they can use their own capital to enable the ambitions of others who may only be starting out on their journey.

Within this year's research audience of 2,763 successful entrepreneurs, 85% have made private investments to support other businesses [Figure 8]. The most enthusiastic advocates of private investments are millennials, who are more than twice as likely as Baby Boomers to have invested in venture capital funds and start-ups, or to hold angel investments.

Overall, private equity is the most popular asset class, taken up by just over half (52%) of entrepreneurs through a range of vehicles, while two in every five use venture capital.

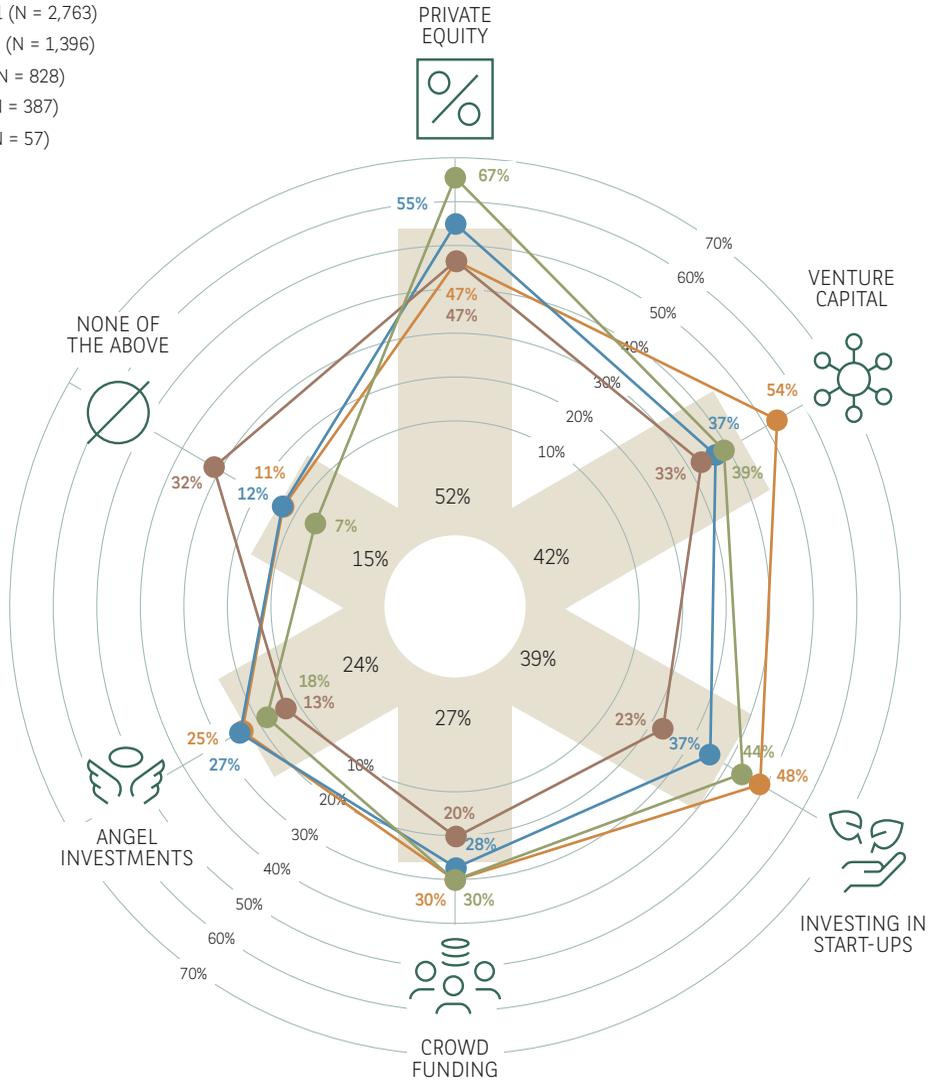
A similar proportion (39%) works closely with start-ups. Just under a quarter (24%) have angel investments, which involves providing financial support and advice to the management team of an early-stage firm.

Elite Entrepreneurs in Asia appear to have embraced the diverse opportunities that come with private investment. On one end of the spectrum, they are more likely than any other

DEFINITION: Private investments are direct investments made into privately-held, unlisted companies.

Do you currently use any of the following investment vehicles to make direct investments into other businesses?

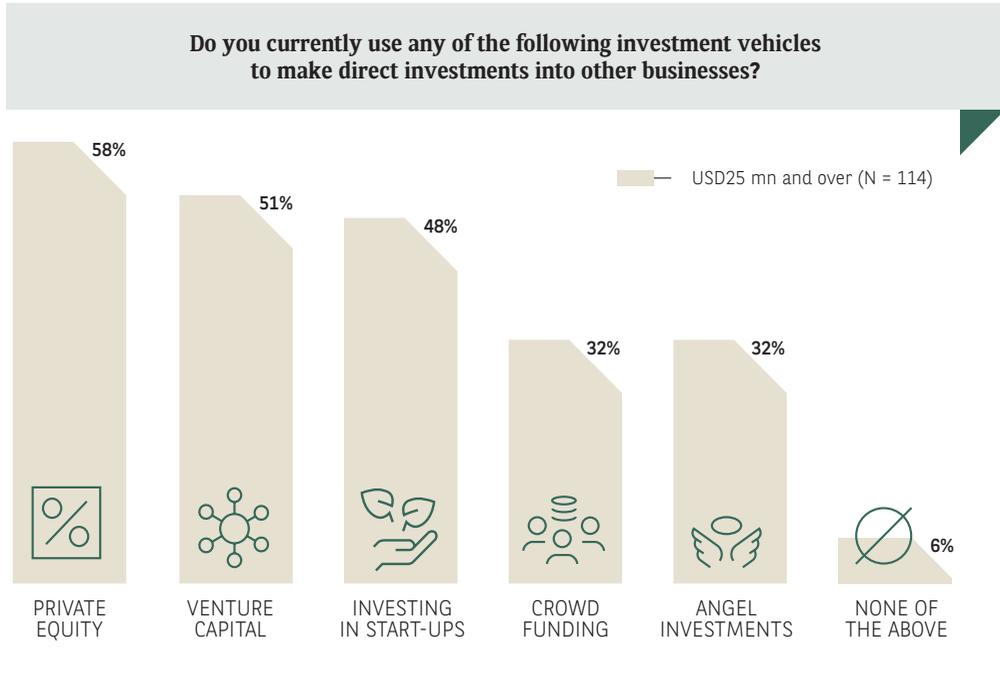
- Overall (N = 2,763)
- Europe (N = 1,396)
- APAC (N = 828)
- USA (N = 387)
- GCC (N = 57)



[FIGURE 8A] 2019 ENTREPRENEURS' PRIVATE INVESTMENTS

Note: The chart above illustrates the percentage of respondents who currently use the investment vehicles listed. The results do not reflect the investor weighting in each vehicle.

Source: 2019 BNP Paribas Global Entrepreneur Report



[FIGURE 8B] 2019 ENTREPRENEURS' PRIVATE INVESTMENTS

Note: The chart above illustrates the percentage of respondents who currently use the investment vehicles listed. The results do not reflect the investor weighting in each vehicle.

Source: 2019 BNP Paribas Global Entrepreneur Report

region to use venture capital (54%), their most popular vehicle. Venture capital funds are professionally managed, and entry-level financial commitments are extremely high given the exclusive nature of the growth opportunity.

At the other end of the spectrum, **Asian entrepreneurs are also far more likely than average to invest in start-ups**, where they will finance promising concepts that they have researched and selected themselves. They do so knowing there is a high probability of failure yet are willing to take the risk to promote high-potential firms.

Further up the wealth scale, there can be no doubt of the UHNW commitment to enabling a flourishing culture of entrepreneurship. For instance, 58% have private equity investments and almost half support emerging companies through venture capital and financing start-ups.

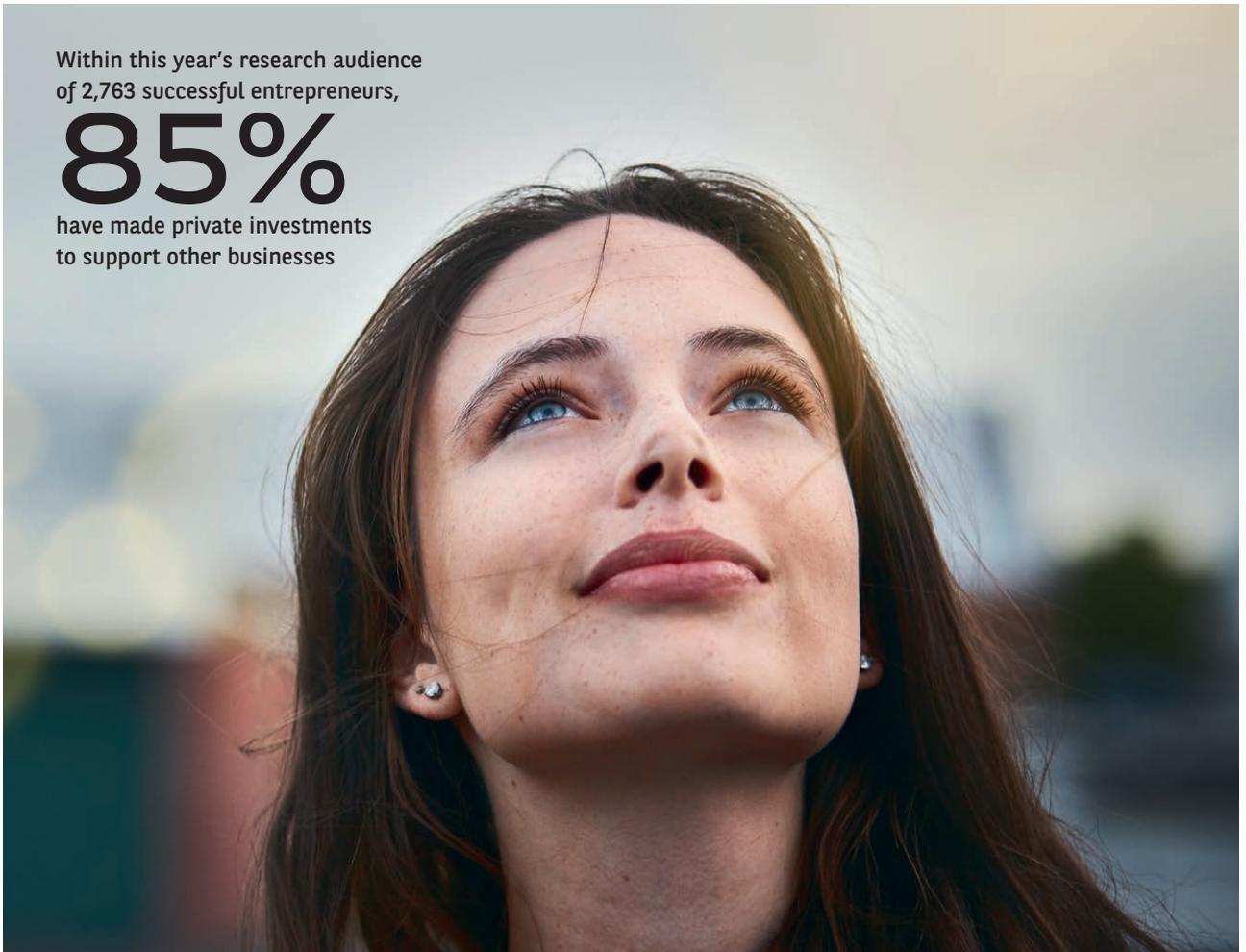
Their propensity to make angel investments has increased over the last 12 months, with almost a third (32%) of UHNWs using their personal time and capital in this way, compared to a quarter (24%) of this audience in 2017.

Critically, UHNWs are open-minded on what kind of company is most capable of driving growth. They are just as likely to support smaller entrepreneurial outfits as they are to finance large businesses with revenues in excess of USD5 million. They prefer having both options on the table when considering venture capital opportunities; they tend to use private equity to fund larger companies; and then lean towards scalable or smaller firms in their angel investments and start-up financing.

Within this year's research audience
of 2,763 successful entrepreneurs,

85%

have made private investments
to support other businesses





THE BUSINESS ANGEL:

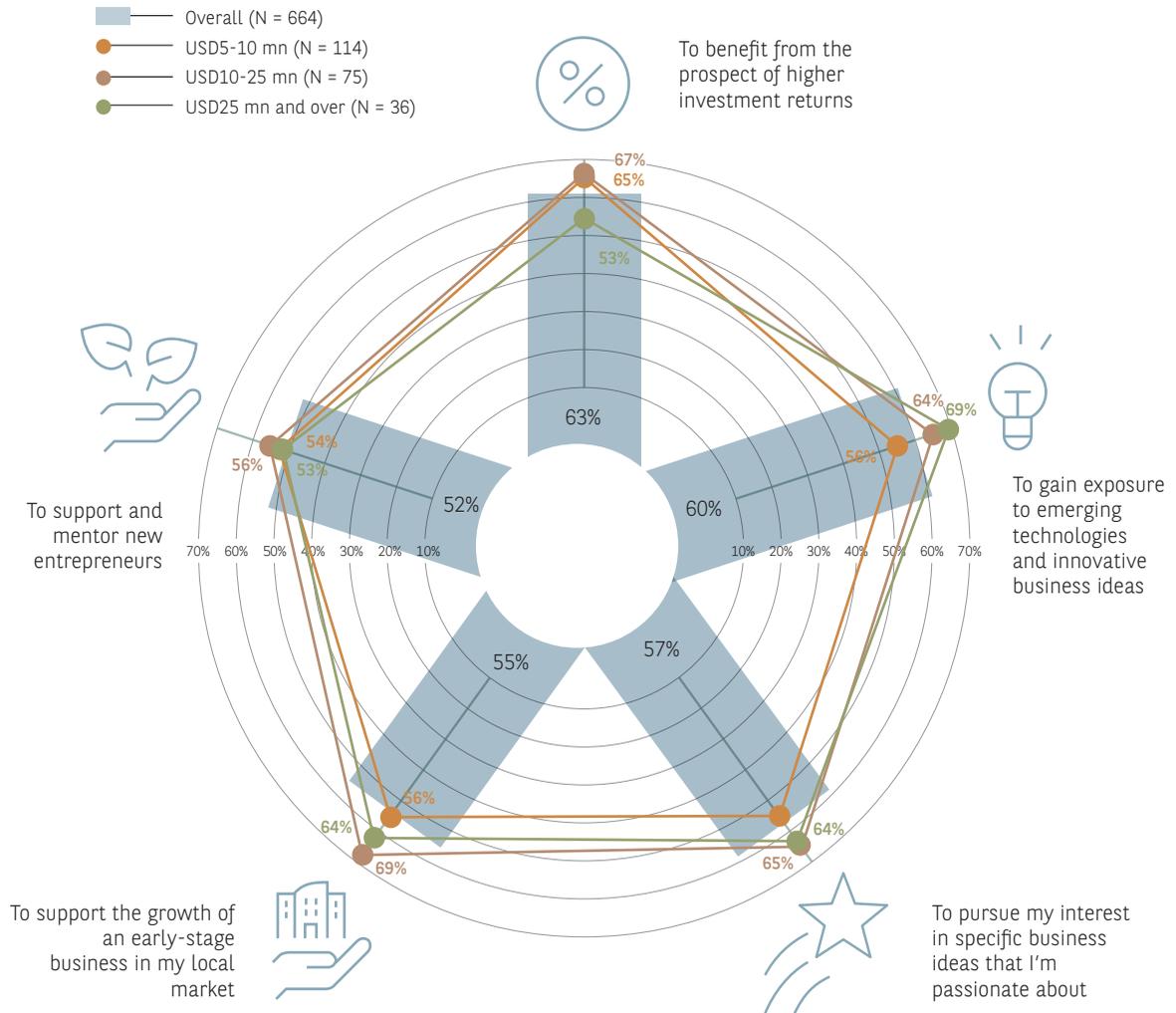
GUIDING THE INNOVATORS

What compels a successful business owner to give up their precious free time to offer financial and advisory support to another company?

Across the globe, as many as one in every four entrepreneurs is a so-called 'Business Angel'. **Reflecting the connotations of their name, Business Angels provide essential capital and wise counsel to the management team of a new firm.** They can help emerging leaders avoid the pitfalls that trip up so many young companies and eventually lead to failure. Critically, they have personal experience to call upon as they are often serial entrepreneurs and accordingly uniquely well-connected. In Europe, Business Angels are most visible in Belgium, Italy, Poland, the Netherlands and the UK.



Which of the following best describes why you make these angel investments?



[FIGURE 9] MOTIVATIONS FOR BUSINESS ANGELS

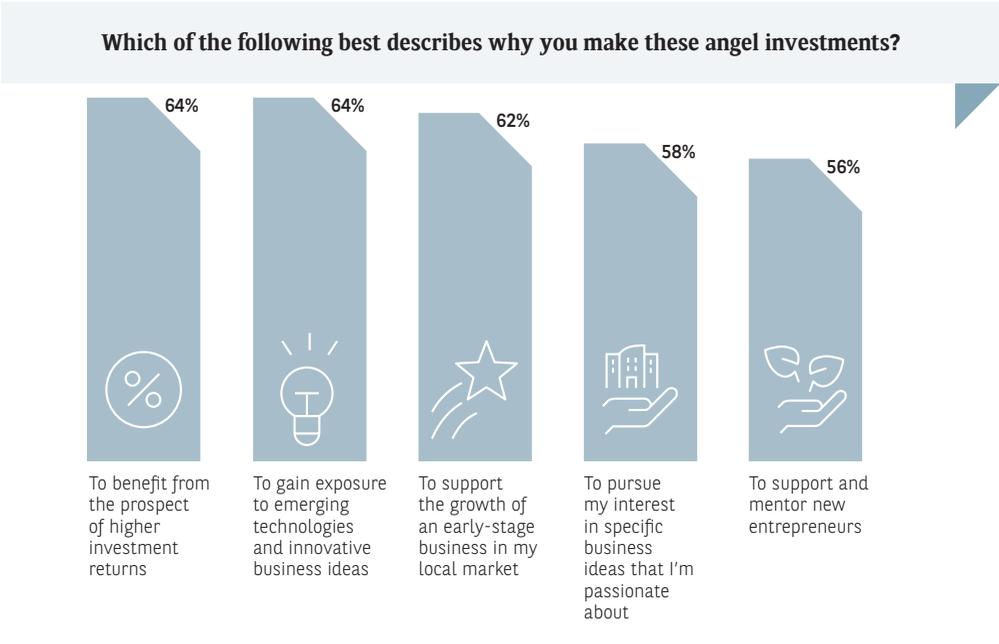
Source: 2019 BNP Paribas Global Entrepreneur Report

Business Angels have a dual objective for their investments. Almost two thirds (63%) are driven by the prospect of benefiting from higher returns [Figure 9]; as professional investors, they have every confidence that their contributions will facilitate success for the firms they work with.

However, almost as important is the chance to work with entrepreneurs who are transforming their sectors (60%).

Those further up the wealth scale are even more influenced by an innate curiosity to learn about pioneering ideas. For example, high net worth entrepreneurs – with an average net worth of more than USD10 million – care less about how their investment in the firm performs than the opportunity to nourish domestic talent to the benefit of the local economy (69%).

For Women Entrepreneurs, what drives them also is the chance to meet and counsel like-minded individuals [Figure 10]. They are already running successful businesses in a diverse range of sectors, primarily spanning Retail, IT, Manufacturing, Construction and Financial Services. What these leaders have in common is an open-minded attitude to sharing experiences and learning from up-and-coming firms.



[FIGURE 10] MOTIVATIONS FOR WOMEN BUSINESS ANGELS

Note: The chart above illustrates the motivations to become angel investors for women.
N = 231

Source: 2019 BNP Paribas Global Entrepreneur Report

Mentorship is a compelling prospect for 56% of this audience and has a stronger pull on women than men (50%). Such interactions offer both sides a platform to explore ideas that are mutually interesting and could potentially be applied to their own businesses.

Business Angels pride themselves on their natural talent for identifying and partnering with innovative companies, so unsurprisingly the sector of choice for more than half is technology [Figure 11]. Roughly a third work with pioneers in artificial intelligence, which is an important area of focus in China.

Other Business Angels are supporting ground-breaking change in so-called “cleantech”, which strives to create alternative forms of technology that are more energy efficient, or “biotech”, which seeks to modify biological processes to improve the quality of human life.

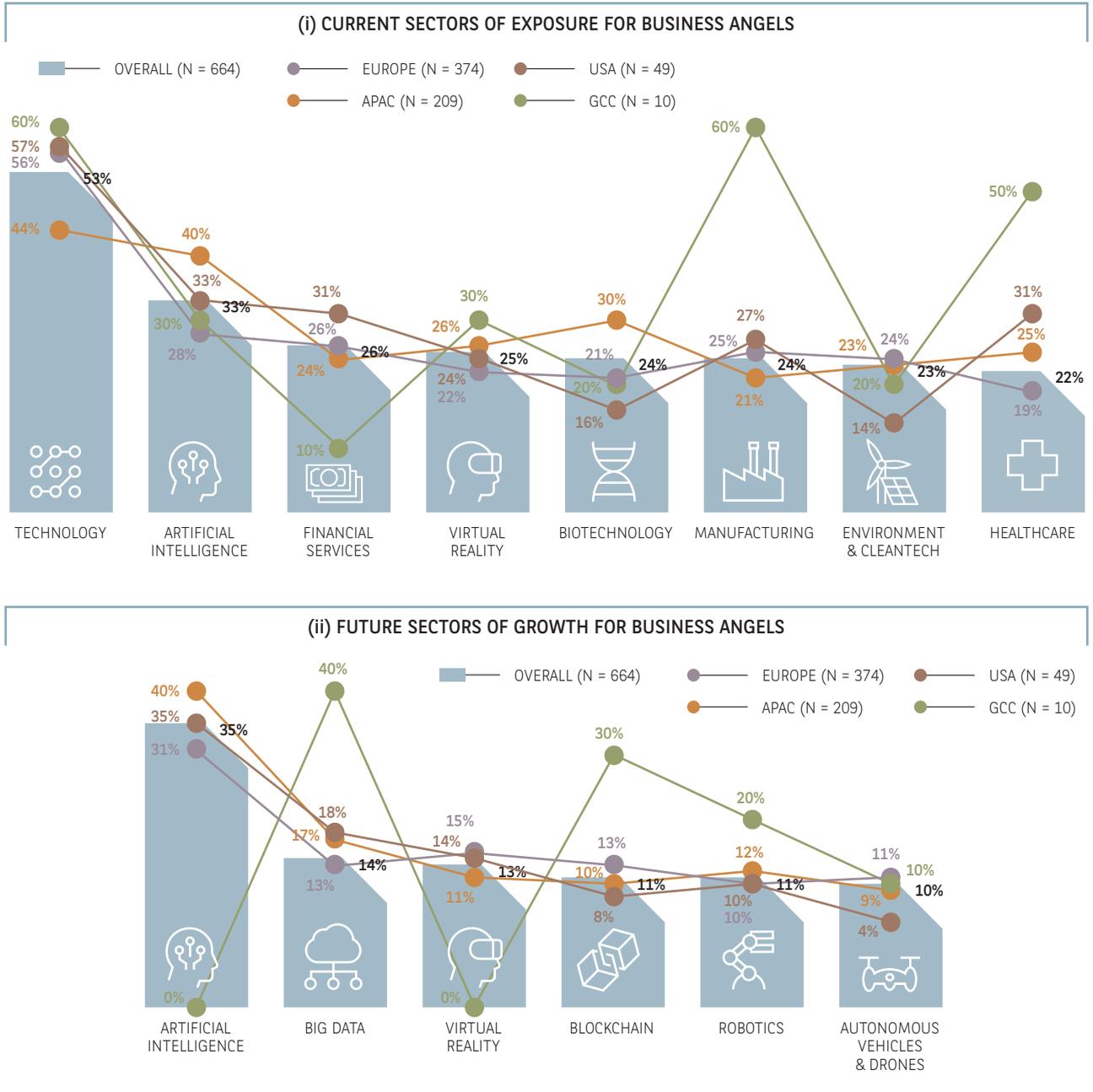
Again, female Business Angels spot distinct opportunities: 27% have sought exposure through their angel investments to the healthcare sector, compared to just 19% of their male counterparts.

Even though Business Angels invest today in a diverse range of sectors, they reach a consensus that artificial intelligence has the most exciting trajectory – more so than sectors that are better at capturing the public imagination, such as self-driving cars. German and Dutch Business Angels represent two principal exceptions to this prediction, pointing instead to virtual reality and big data respectively.

From transforming the workplace by eliminating the need for repetitive tasks to revolutionising the cities we live in and the transport we use, entrepreneurs know that artificial intelligence could have unimaginable implications.

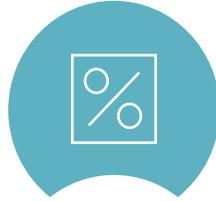
**Roughly a third work
with pioneers in artificial intelligence,
which is an important area
of focus in China.**

(i) Which industry sectors do you mostly have exposure to through your angel investments?
(ii) Thinking about your investments in the next ten years, which of the following industry sectors do you believe represent the most exciting opportunity for future growth?



[FIGURE 11] CURRENT AND FUTURE GROWTH SECTORS FOR BUSINESS ANGELS

Source: 2019 BNP Paribas Global Entrepreneur Report



THE PRIVATE EQUITY INVESTOR: HUNTING HIGH RETURNS

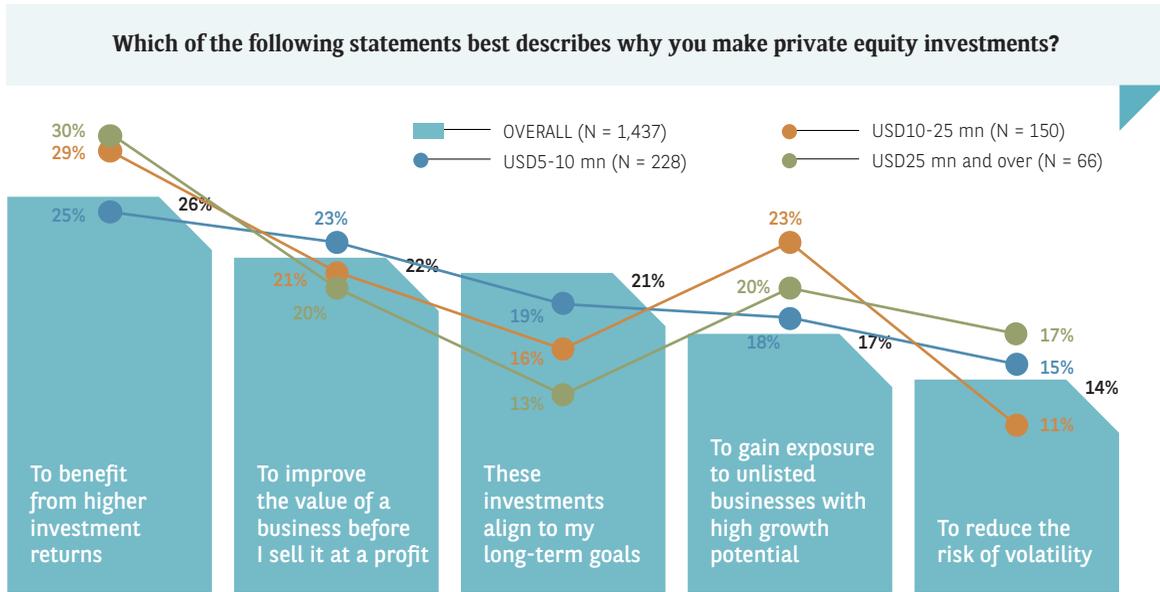
While Business Angels are guiding the next generation of innovators to success, Private Equity Investors are clear-sighted about their motivations. **High returns are the primary reason that they have chosen this asset class.**

[Figure 12].

Private Equity Investors are most commonly found in India, Turkey, Russia, Spain and the GCC. Although minimum commitments vary by market, institution and vehicle, there are no strong differences visible in the entrepreneurial mind-set. Fundamentally these opportunities are attractive because they are unlisted and offer better investment outcomes than possible through mainstream asset classes.

Over the past few years, more private equity funds have come to the market and in some cases allowed individual entrepreneurs access to these opportunities at a lower





[FIGURE 12] MOTIVATIONS FOR PRIVATE EQUITY INVESTMENTS

Source: 2019 BNP Paribas Global Entrepreneur Report

eligibility threshold than in the past. Nearly one in two (46%) entrepreneurs have responded positively and taken up these funds.

Private equity funds are often used by UHNW entrepreneurs too, but about a third (36%) have found direct investments into unlisted companies an effective vehicle for achieving their goals. Co-investment deals with partners are globally most popular in Switzerland, but regionally favoured in Asia, where business owners in Indonesia, China and Hong Kong have all taken this route.

With high returns the key focus, entrepreneurs are acutely aware of the critical role played by their professional advisors in sourcing promising opportunities [Figure 13].

In fact, regardless of which vehicle they use, Private Equity Investors consistently say **they rely on their wealth managers and investment consultants for their resources and advice before making a decision.** These investors will often conduct independent research to supplement their understanding, which is particularly important if they are making a direct commitment to an unlisted company.

Claire Roborel de Climens underlines the observation that Private Equity investors are relentlessly focussed on returns, commenting:

I believe that the most convincing point for our entrepreneurial clients is demonstrating that private equity is very resilient during recessions. Between 2005 and 2007, valuations and leverage were very high but high-performing private equity firms delivered returns of ten percent or more, which is very good compared to the other assets our clients were invested in at the time."

She adds:

Our clients are looking for double digit returns for their private equity investments, which reward the illiquidity feature. There is a dispersion of returns between funds, which could reach 1,600 basis points between a top and fourth quartile fund, so the right selection process is important. That's why we look carefully at long track records and work with managers who, whatever the economic cycle, create value in the companies and consequently for the real economy and for private investors."

**Which of the following best describes w (i) How do you typically gain exposure to private equity investments?
(ii) How do you primarily determine which private equity opportunities to invest in? hy you make these angel investments?**

	Through a private equity fund (N = 657): 46%	Through direct investments into unlisted operating companies (N = 403): 28%	Through a co-investment deal (N = 377): 26%
I rely on investment consultants to identify investment opportunities	28% 	26% 	22% 
I rely on my wealth manager/financial advisor to identify opportunities on my behalf	27% 	29% 	26% 
I identify opportunities based on my own research	21% 	24% 	20% 
I rely on my co-investment partners to identify new opportunities	15% 	12% 	22% 
I rely on a family office to identify opportunities on my behalf	9% 	9% 	10% 

[FIGURE 13] VEHICLES AND SOURCES OF RESEARCH FOR PRIVATE EQUITY INVESTORS

N = 1,437 / Source: 2019 BNP Paribas Global Entrepreneur Report



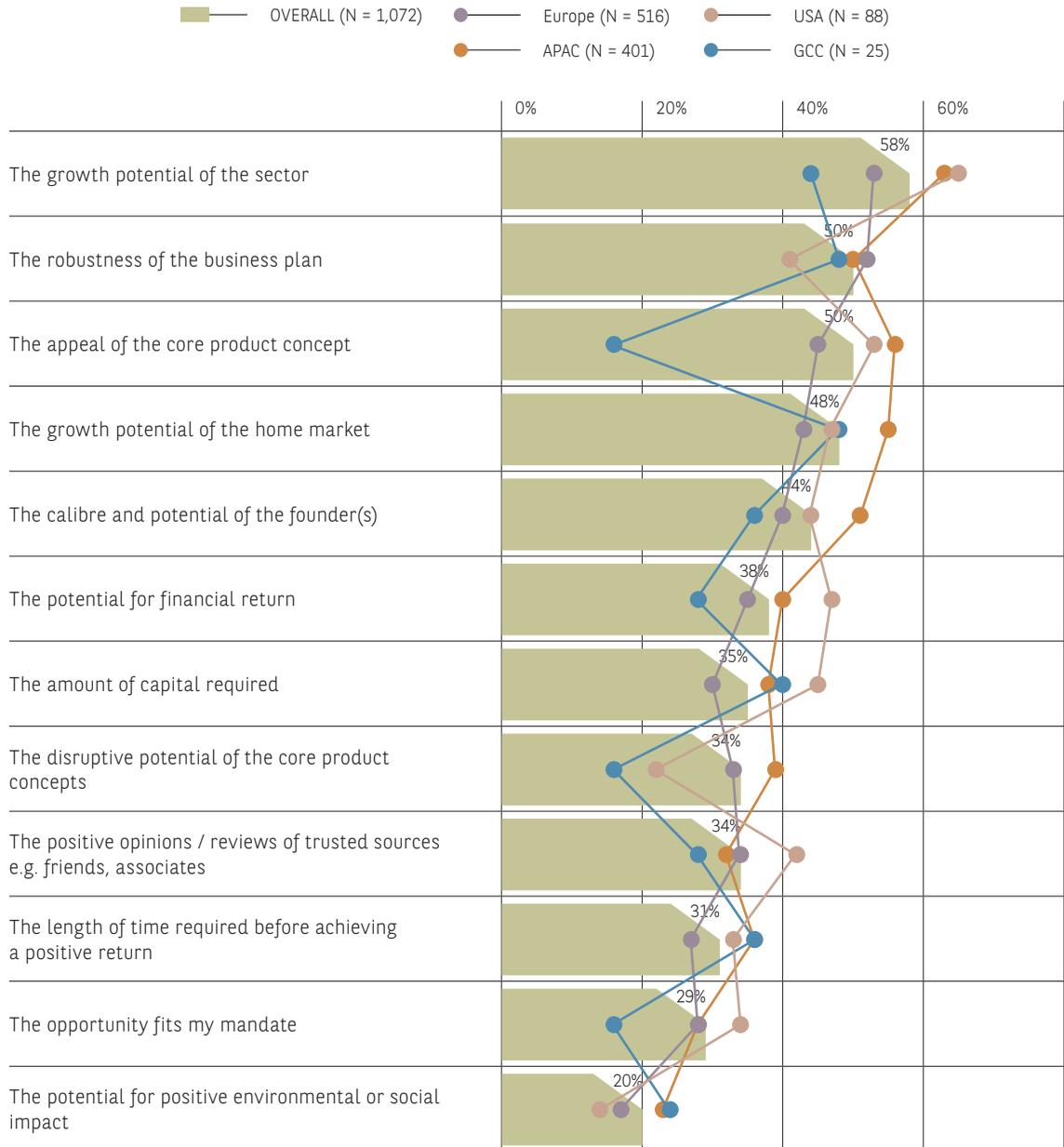
THE START-UP SUPPORTER:

SPOTTING THE NEXT BIG TREND

Entrepreneurs are accustomed to taking calculated risks
to push their own businesses to new heights.



Which of the following considerations are important when choosing which start-ups to invest in?



[FIGURE 14] SELECTION CRITERIA FOR SUPPORTING A START-UP

Source: 2019 BNP Paribas Global Entrepreneur Report

Now, many are investing in companies at the very earliest stage of formation that are attempting to do something new in the face of possible failure. These 'Start-up Supporters' are attracted to risk and most often found in China, India and Indonesia, where a plurality of business owners actively brings forth pioneering ideas. Poland and Spain are the most popular European hubs.

Underlining the stereotype, it is Millennials who are most drawn to start-up culture, with its language of minimum viable products and preference for collaboration in shared work-spaces. **Investors under 35 are more than twice as likely as Baby Boomers to invest in these high-risk firms.**

Nevertheless, the decision to support a start-up is a wholly rational one for entrepreneurs. They primarily choose start-ups that they already believe have the macroeconomic wind in their sails, as **the majority (58%) will only work with firms operating in a sector with very strong growth prospects** [Figure 14]. Before making a final decision, 50% of Start-Up Supporters will interrogate the company's business plan and test the appeal of the core product intended for launch.

Start-Up Supporters are prepared to play a long-game. They expect their capital to be locked up for some time as the company will need time to gain scale. In contrast to those who have angel or private equity investments, the drive for high returns is not yet front of mind.

Only 38% of entrepreneurs are consciously dwelling on prospective financial performance. Even fewer are worrying about the timescale before their investment turns a profit. Nor is the disruptive potential of the firm they are working with a prominent item on their agenda. Their confidence in the trajectory of the sector is sufficient for now.

Although contrary to the fast-paced image of start-up culture, those willing to invest in these high-risk outfits take the time to carefully consider the long-term implications. The buzzword of disruption is less important to them than the excitement of spotting an important new trend, backed up by a robust business strategy and good sector fundamentals.

Only
38%
of entrepreneurs are consciously
dwelling on prospective financial
performance.



THE IMPACT SEEKER:

ENABLING RESPONSIBLE GROWTH

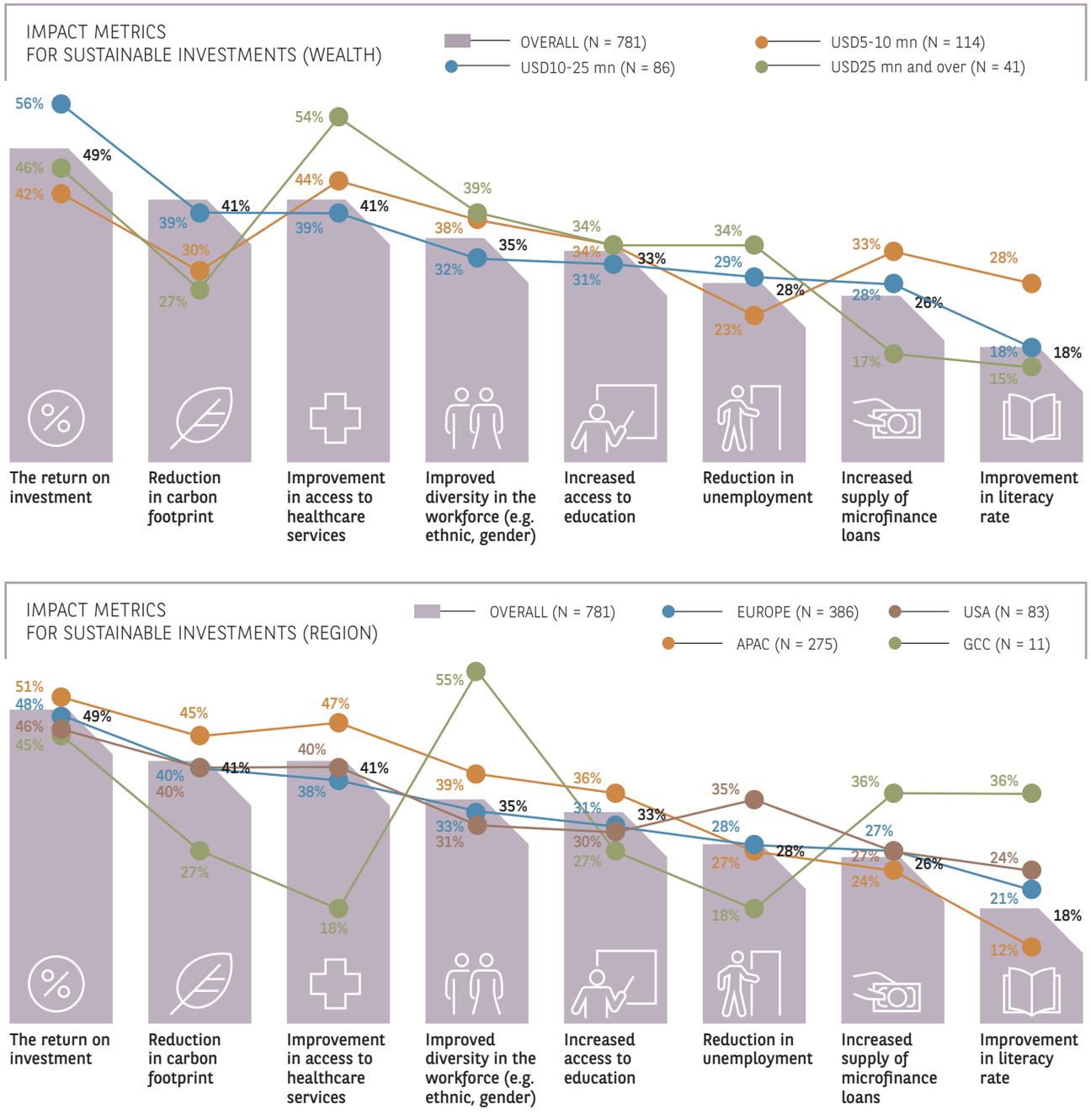
'Impact Seekers' – business owners who have exposure to sustainable and responsible investments through their portfolios – comprise 26% of the entrepreneurial population. They are young, but contrary to popular belief are typically not millennial at an average age of 40.

They are most prevalent in Taiwan, Hong Kong, China, Spain and Singapore, where as many as one in three is an Impact Seeker.

Overall, SRI funds are the most popular vehicle to gain exposure to responsible investments, used by 60% of Impact Seekers. Here, younger entrepreneurs really do stand out for their usage of the available instruments. **Millennials are more likely to use nearly every responsible investment vehicle available to them than older generations.** More than half use social impact bonds, for example, compared to just 28% of Baby Boomers.



Which of the following areas do you consider when measuring the impact of your sustainable investments?



[FIGURE 15] IMPACT METRICS FOR SUSTAINABLE INVESTMENTS

The chart above only shows responses for those individuals who currently have exposure to sustainable investments.

Source: 2019 BNP Paribas Global Entrepreneur Report

The main motivation for Impact Seekers is good returns, but given the differing regional priorities identified in the 2018 BNP Paribas Global Entrepreneur Report, it is no surprise that they also define success in terms of different environmental and social outcomes. For instance, in the US, Europe and Asia, climate change remains an ever-present concern and so reduction of the carbon footprint is carefully assessed [Figure 15].

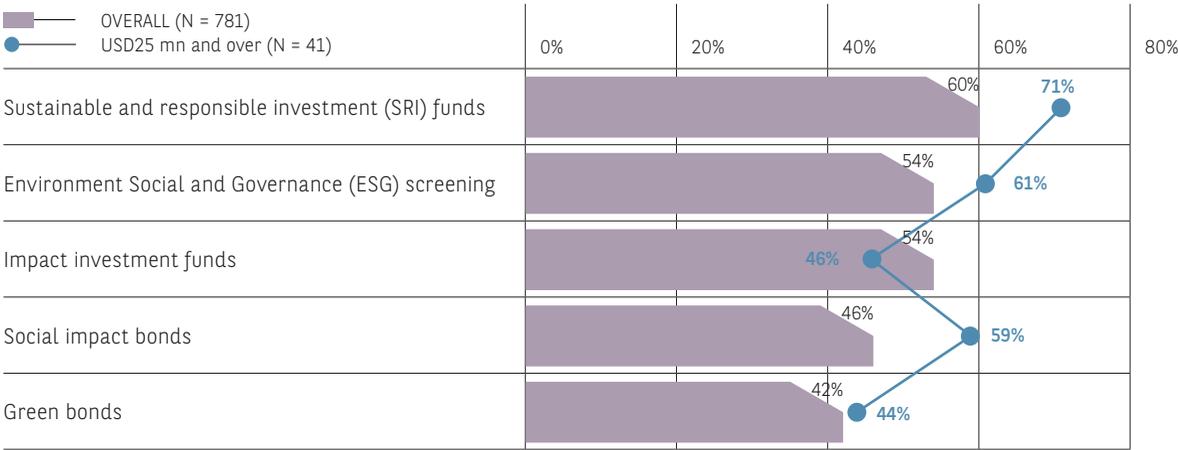
In the GCC and Brazil, Impact Seekers adopt another lens and reflect consciously on whether their investments have enhanced human potential – for example, by impacting workplace diversity or improving access to education.

Business owners in France and the UK buck the European trend and are as likely to focus on making a difference to ethnic and gender diversity as they are returns.

UHNW entrepreneurs approach the question of how to measure sustainable outcomes differently. Across the board, **the UHNW priority for investing with a conscience is better provision of healthcare services**. Fifty-four percent indicate that this is their metric of choice, placing more value on this reference point than returns.

Like other Impact Seekers, UHNWs mostly rely on SRI and impact investment funds to make a positive impact [Figure 16]. However, they are also far more likely to use social impact bonds, with 59% adopting these vehicles to achieve their desired outcomes.

Which investment vehicles do you currently use to give you exposure to sustainable investments?



[FIGURE 16] TOP THREE SUSTAINABLE INVESTMENTS VEHICLES FOR IMPACT SEEKERS

Source: 2019 BNP Paribas Global Entrepreneur Report

IN CONCLUSION

In Part I of this year's report, we have explored the entrepreneurial search for growth of their wealth and investments.

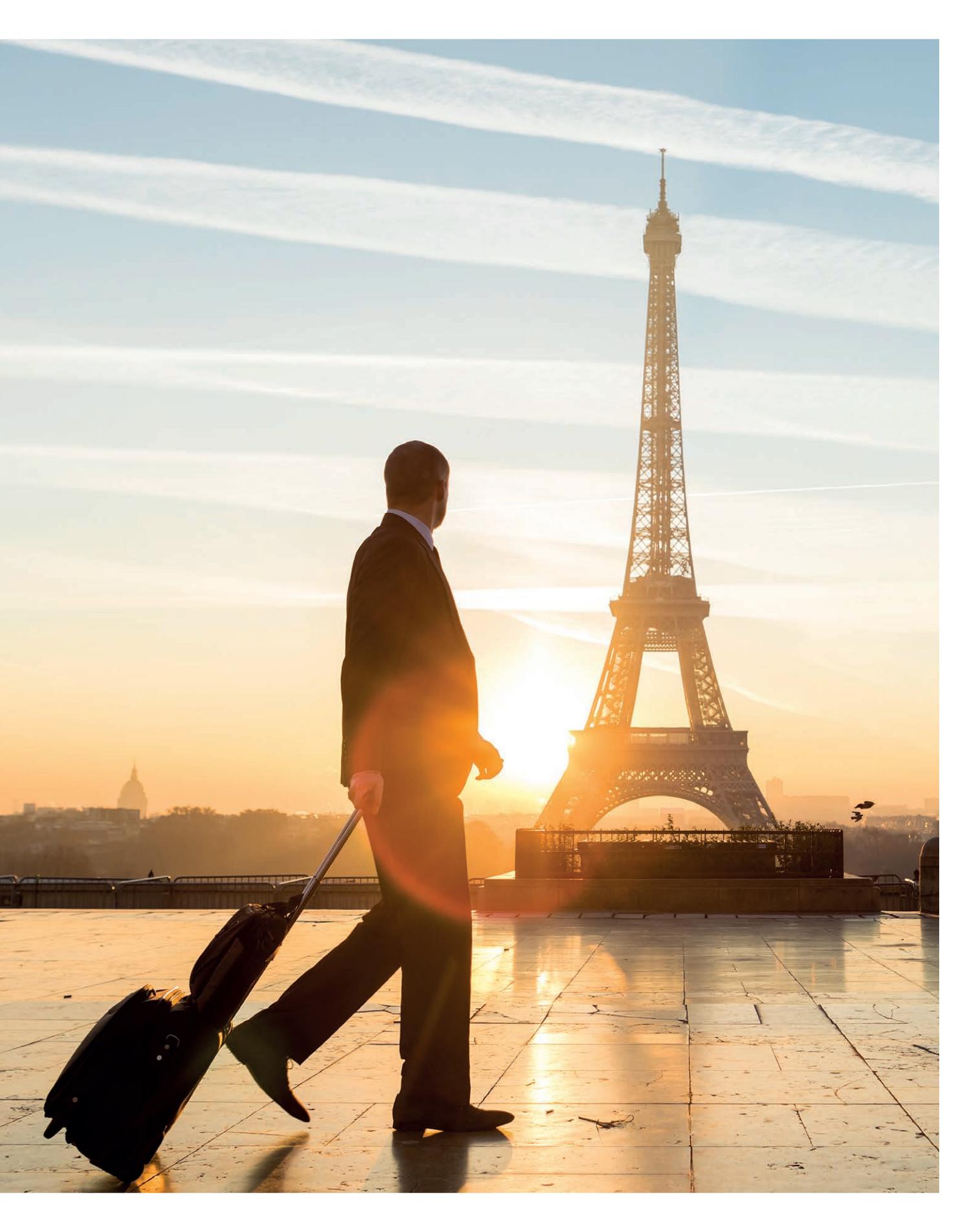
As Elite Entrepreneurs, they are known for their ability to stay ahead of the curve and spot the significance of a trend before it is visible to the mainstream. They apply this same mind-set to their portfolio allocation choices and their private investments.

Although they are operating in an uncertain trade climate, many are using the huge gains in the stock market as an impetus to explore new sectors (such as artificial intelligence) through a range of investment vehicles. For example, they are electing to support other businesses that they believe will achieve great things through the provision of private capital and advice. Their specific investments vary depending on their motivations, but their approach is always meticulous and returns-focussed.

Last year, we identified the rise of responsible investments; now it consistently appears as a mainstream asset class. Entrepreneurs use their heads just as much as their hearts when making allocations, with the prospect for growth closely scrutinised in addition to social and environmental outcomes.

The fact that responsible investing is now considered a top five growth sector in many regions is linked to shifting public perceptions. In 2018, we have seen targeted action by global policy-makers on bringing an end to single-use plastics and cleaning up the oceans to protect the marine environment. Entrepreneurs see evidence that their way of thinking is becoming more mainstream and accordingly predict a significant growth opportunity.

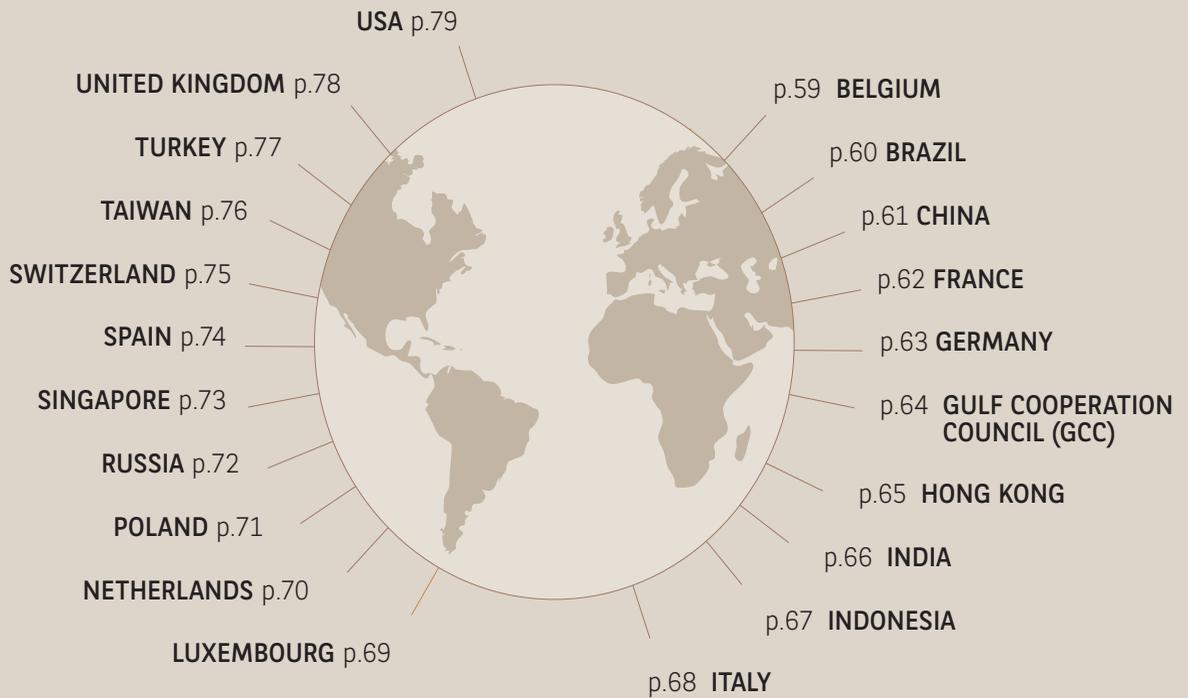
Just as they would in their own businesses, they cover all bases before choosing to gamble on an idea that they believe in.





An aerial photograph of a city skyline at sunset, with a large, semi-transparent globe overlay in the center. The globe shows the continents of Europe and Africa. The text "COUNTRY SNAPSHOTS" is written in white, bold, sans-serif capital letters across the globe.

COUNTRY SNAPSHOTS

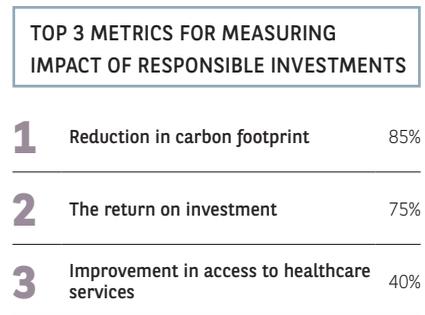
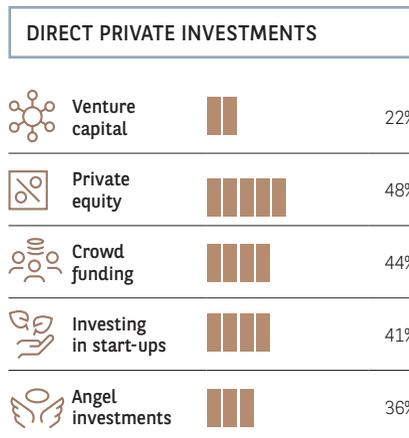
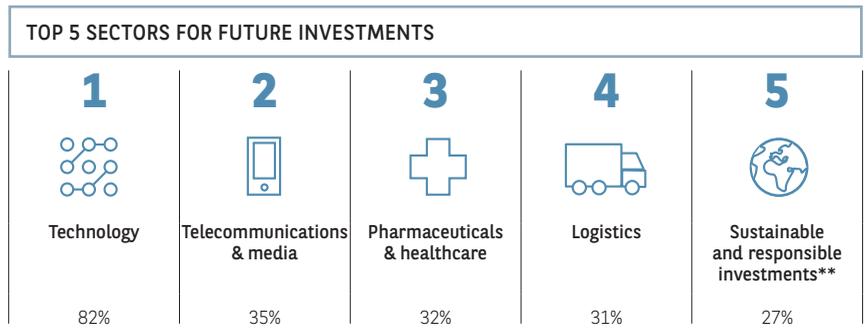
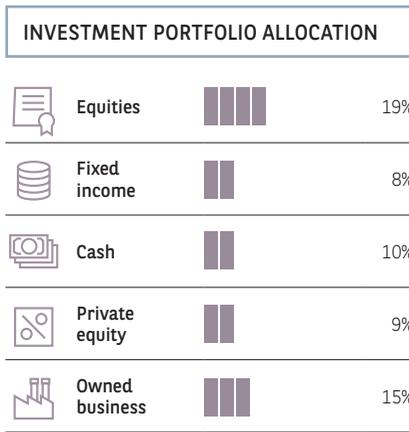
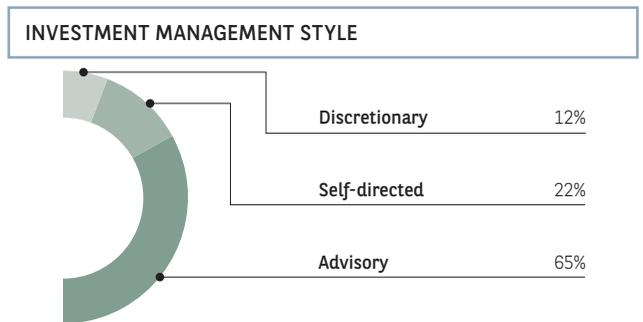


BELGIUM



- In Belgium, nearly four in every five entrepreneurs have exposure to technology in their investment portfolios (79%).
- Belgium is the top European hotspot for angel investing: 36% of Belgian entrepreneurs hold these investments.
- Belgian entrepreneurs make the highest portfolio allocation globally to real estate, at an average of 31%.

	Sample size	81
	Average age of entrepreneur	46
	Average primary company revenue (USD)	\$2,559,328
	Average number of companies started	2.9



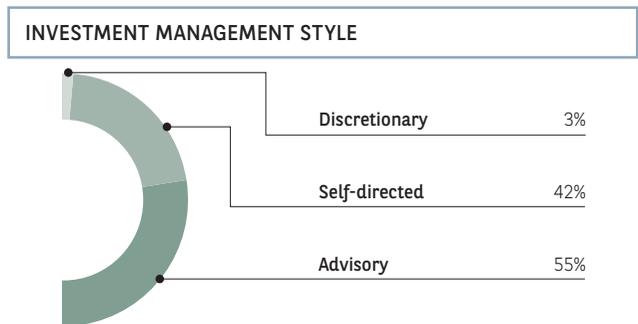
* Sustainable responsible investments
 ** e.g. environment, combating climate change

BRAZIL

- More than three quarters (77%) of Brazilian entrepreneurs use socially responsible investment funds to gain exposure to SRIs.
- 74% of entrepreneurs in Brazil see technology as the sector offering the most growth potential over the next five years.
- 46% of Brazilian entrepreneurs look at improving access to education as a success metric when investing in SRIs, compared to 33% globally.



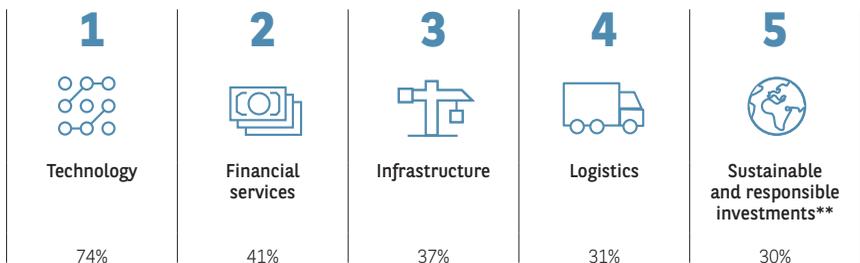
	Sample size	95
	Average age of entrepreneur	38
	Average primary company revenue (USD)	\$6,646,689
	Average number of companies started	3.8



INVESTMENT PORTFOLIO ALLOCATION

	Equities		18%
	Fixed income		20%
	Cash		17%
	Private equity		9%
	Owned business		18%
	Hedge funds		4%
	SRIs*		3%
	Real estate		7%
	Angel investments		2%
	Philanthropy & donations		2%

TOP 5 SECTORS FOR FUTURE INVESTMENTS



DIRECT PRIVATE INVESTMENTS

	Venture capital		44%
	Private equity		63%
	Crowd funding		23%
	Investing in start-ups		44%
	Angel investments		23%

TOP 3 METRICS FOR MEASURING IMPACT OF RESPONSIBLE INVESTMENTS

1	The return on investment	65%
2	Increased access to education	46%
3	Reduction in carbon footprint	35%

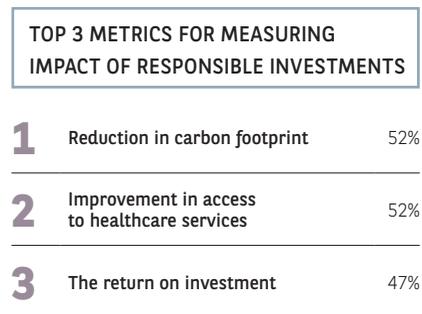
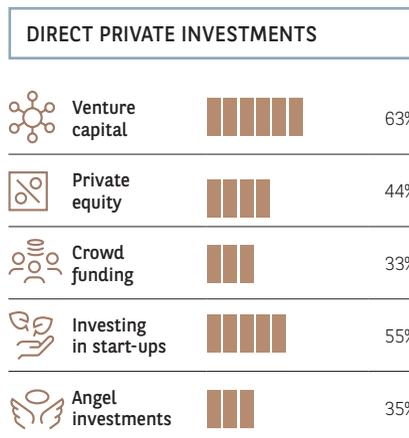
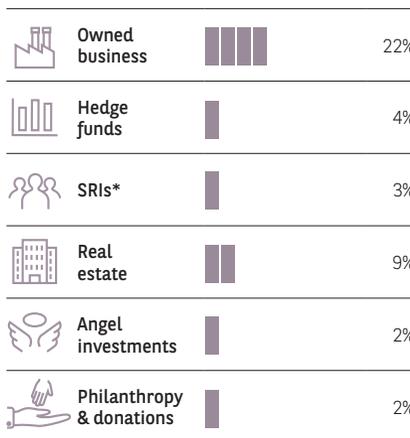
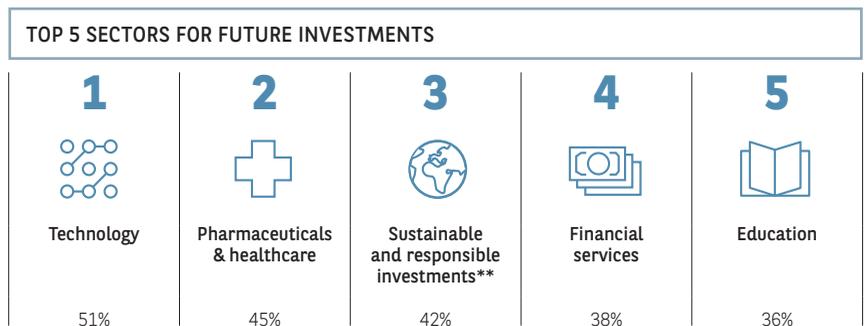
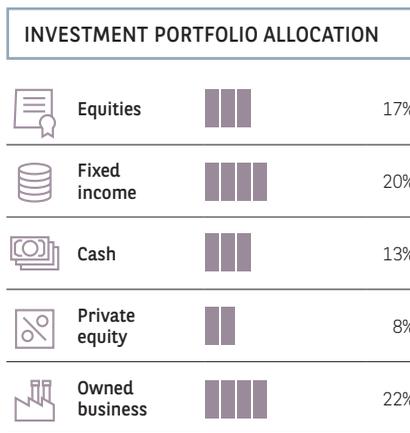
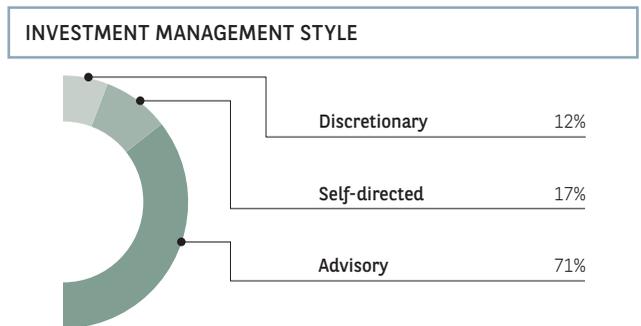
* Sustainable responsible investments
 ** e.g. environment, combating climate change

CHINA



- 54% of Chinese Business Angels work with Artificial Intelligence pioneers, compared to 33% of the global population.
- A high concentration of Start-up Supporters is found in China, with 55% investing in these ventures.
- China is a top three country for investing in SRIs, with 35% of entrepreneurs invested (compared to 26% globally).

	Sample size	257
	Average age of entrepreneur	36
	Average primary company revenue (USD)	\$5,221,252
	Average number of companies started	2.1



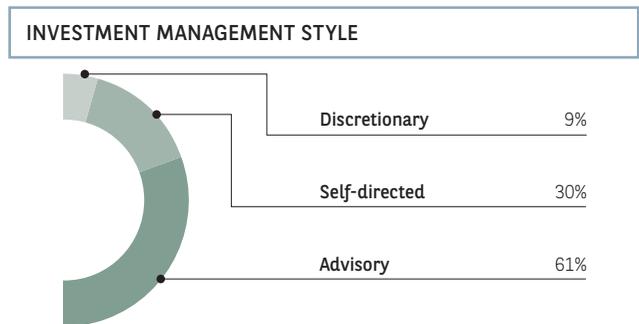
* Sustainable responsible investments
 ** e.g. environment, combating climate change

FRANCE

- Entrepreneurs in France have the second highest global allocation to private equity, having invested 14% of their wealth in this asset class.
- The main motivation in France for investing in private equity is that these investments align with long-term goals (25%).
- French entrepreneurs have an unrivalled appetite for investing in hedge funds, with 6% of their portfolio dedicated to this asset class.



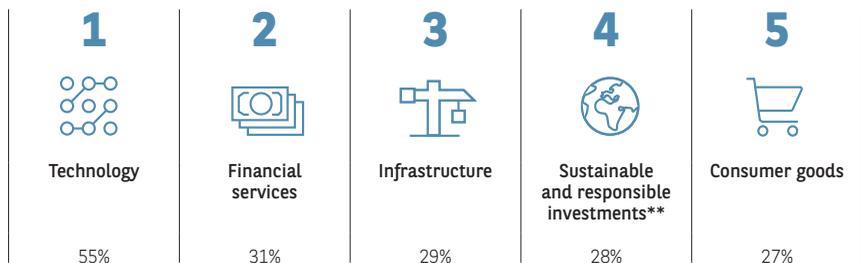
	Sample size	287
	Average age of entrepreneur	40
	Average primary company revenue (USD)	\$9,701,478
	Average number of companies started	3.3



INVESTMENT PORTFOLIO ALLOCATION

	Equities		17%
	Fixed income		19%
	Cash		11%
	Private equity		14%
	Owned business		15%
	Hedge funds		6%
	SRIs*		5%
	Real estate		8%
	Angel investments		3%
	Philanthropy & donations		2%

TOP 5 SECTORS FOR FUTURE INVESTMENTS



DIRECT PRIVATE INVESTMENTS

	Venture capital		29%
	Private equity		54%
	Crowd funding		34%
	Investing in start-ups		35%
	Angel investments		26%

TOP 3 METRICS FOR MEASURING IMPACT OF RESPONSIBLE INVESTMENTS

1	The return on investment	50%
2	Improved diversity in the workforce (e.g. ethnic, gender)	44%
3	Improvement in access to healthcare services	37%

* Sustainable responsible investments

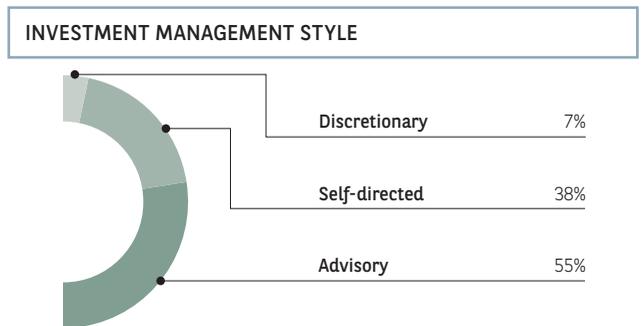
** e.g. environment, combating climate change

GERMANY



- Although most Business Angels focus on artificial intelligence as a top growth sector over the next ten years, German Business Angels say that their top picks are virtual reality and big data (21%).
- Business Angels are mainly driven by the chance to support the growth of early-stage ventures in Germany (65%).
- Wealth managers are the most prominent source of new investment opportunities in Germany, with 37% of entrepreneurs leveraging their ideas.

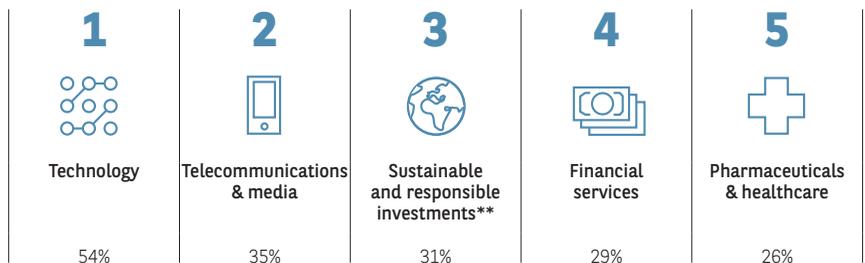
	Sample size	194
	Average age of entrepreneur	39
	Average primary company revenue (USD)	\$9,005,588
	Average number of companies started	3.1



INVESTMENT PORTFOLIO ALLOCATION

	Equities	20%
	Fixed income	16%
	Cash	14%
	Private equity	13%
	Owned business	16%
	Hedge funds	5%
	SRIs*	3%
	Real estate	9%
	Angel investments	2%
	Philanthropy & donations	2%

TOP 5 SECTORS FOR FUTURE INVESTMENTS



DIRECT PRIVATE INVESTMENTS

	Venture capital	44%
	Private equity	55%
	Crowd funding	28%
	Investing in start-ups	39%
	Angel investments	22%

TOP 3 METRICS FOR MEASURING IMPACT OF RESPONSIBLE INVESTMENTS

1	Increased access to education	52%
2	Reduction in carbon footprint	43%
3	Improvement in access to healthcare services	33%

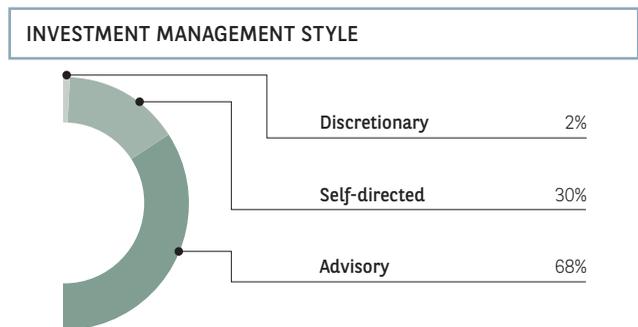
* Sustainable responsible investments
** e.g. environment, combating climate change

GULF COOPERATION COUNCIL (GCC)

- 55% in the GCC are motivated to invest in SRIs to see an improvement in workforce diversity, compared to 34% globally.
- 29% of GCC entrepreneurs regard research provided by financial institutions as their most important source of new investment ideas.
- Nearly three quarters (73%) of GCC entrepreneurs use impact investment funds to gain exposure to SRIs.



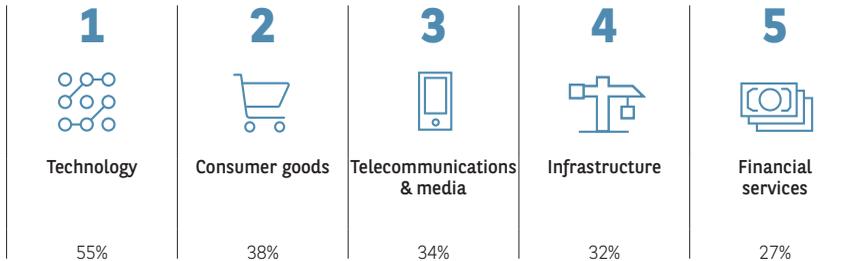
	Sample size	57
	Average age of entrepreneur	35
	Average primary company revenue (USD)	\$13,954,755
	Average number of companies started	3.0



INVESTMENT PORTFOLIO ALLOCATION

	Equities	19%
	Fixed income	18%
	Cash	17%
	Private equity	8%
	Owned business	16%
	Hedge funds	4%
	SRIs*	4%
	Real estate	10%
	Angel investments	2%
	Philanthropy & donations	2%

TOP 5 SECTORS FOR FUTURE INVESTMENTS



DIRECT PRIVATE INVESTMENTS

	Venture capital	39%
	Private equity	67%
	Crowd funding	30%
	Investing in start-ups	44%
	Angel investments	18%

TOP 3 METRICS FOR MEASURING IMPACT OF RESPONSIBLE INVESTMENTS

1	Improved diversity in the workforce (e.g. ethnic, gender)	55%
2	The return on investment	45%
3	Increased supply of microfinance loans	36%

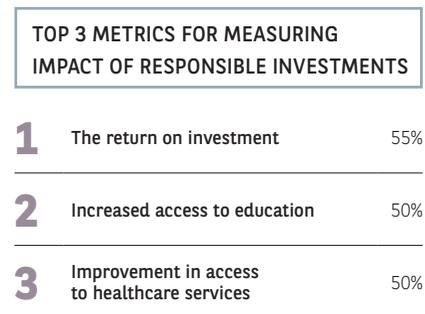
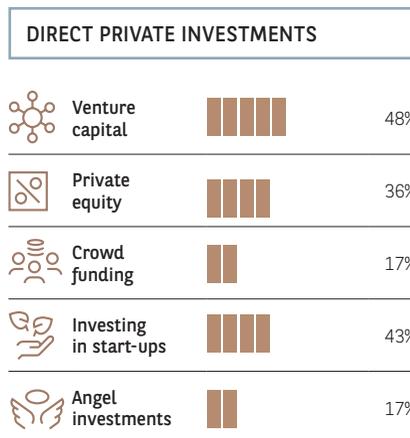
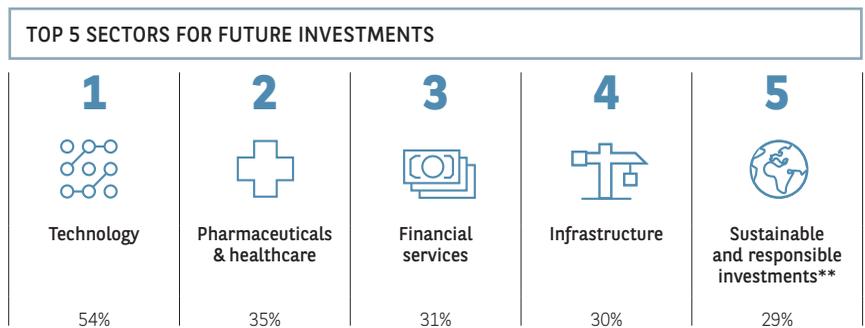
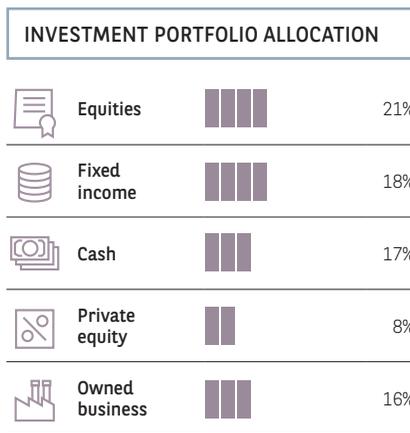
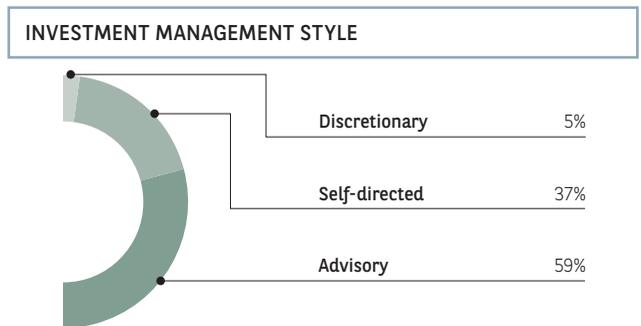
* Sustainable responsible investments

HONG KONG

- Exchange-traded funds (ETFs) are popular in Hong Kong, with 48% using this vehicle to gain exposure to specific sectors and themes.
- Co-investment deals are attractive to business owners in Hong Kong, with 38% opting for this route to gain private equity exposure.
- Technology is viewed as a high-growth sector for the next five years by 54% of Hong Kong entrepreneurs.



	Sample size	155
	Average age of entrepreneur	41
	Average primary company revenue (USD)	\$7,534,910
	Average number of companies started	1.9



* Sustainable responsible investments
 ** e.g. environment, combating climate change

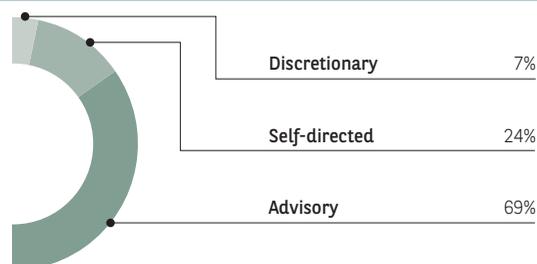
INDIA

- Indian entrepreneurs measure the impact of their SRIs by focussing evenly on returns and improvements to workforce diversity (49%).
- Indian entrepreneurs are equally likely to identify private equity opportunities through their wealth manager as through their own research (27%).
- For Indian Start-Up Supporters, the growth potential of the home market is the most important pre-condition for investing (61%).



	Sample size	106
	Average age of entrepreneur	35
	Average primary company revenue (USD)	\$9,361,826
	Average number of companies started	2.7

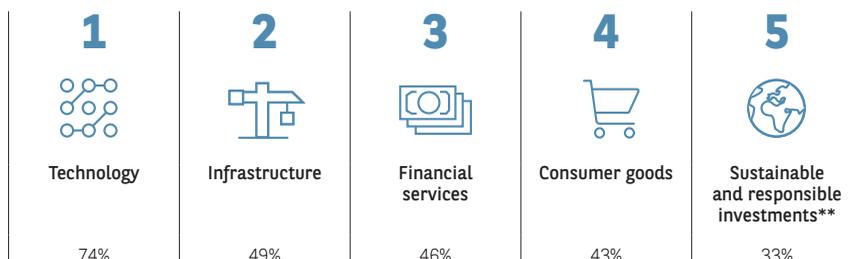
INVESTMENT MANAGEMENT STYLE



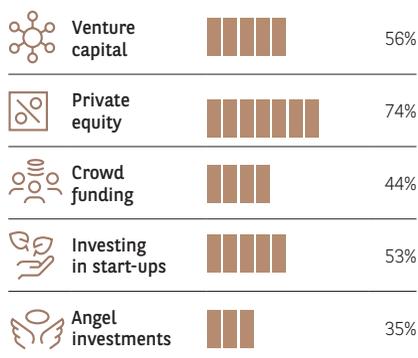
INVESTMENT PORTFOLIO ALLOCATION

	Equities	16%
	Fixed income	17%
	Cash	13%
	Private equity	11%
	Owned business	16%
	Hedge funds	6%
	SRIs*	4%
	Real estate	10%
	Angel investments	4%
	Philanthropy & donations	3%

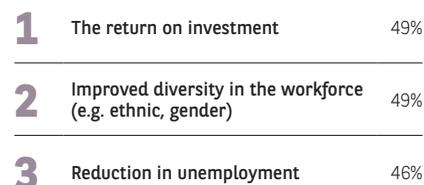
TOP 5 SECTORS FOR FUTURE INVESTMENTS



DIRECT PRIVATE INVESTMENTS



TOP 3 METRICS FOR MEASURING IMPACT OF RESPONSIBLE INVESTMENTS



* Sustainable responsible investments

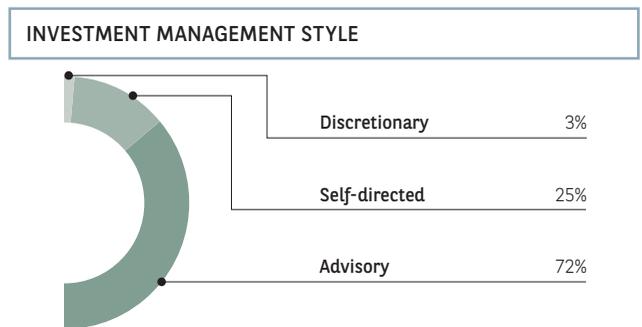
** e.g. environment, combating climate change

INDONESIA



- Business Angels in Indonesia focus equally on the Technology, Consumer and Financial Services sectors (53%).
- Private Equity Investors in Indonesia mainly rely on investment consultants to identify new Private Equity opportunities (29%).
- Co-investment deals are the most popular Private Equity vehicle, with 41% of Indonesian entrepreneurs gaining exposure in this way.

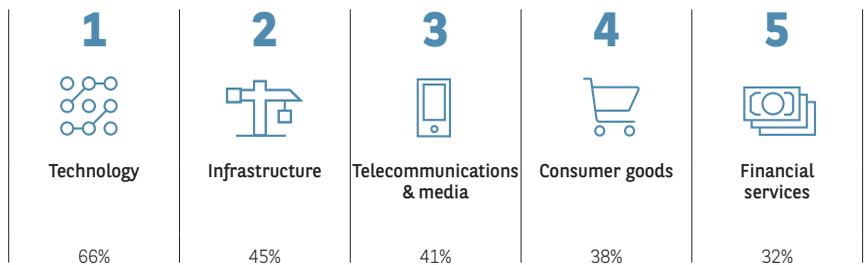
	Sample size	79
	Average age of entrepreneur	37
	Average primary company revenue (USD)	\$2,568,082
	Average number of companies started	3.9



INVESTMENT PORTFOLIO ALLOCATION

	Equities	20%
	Fixed income	19%
	Cash	17%
	Private equity	9%
	Owned business	16%
	Hedge funds	4%
	SRIs*	4%
	Real estate	6%
	Angel investments	2%
	Philanthropy & donations	3%

TOP 5 SECTORS FOR FUTURE INVESTMENTS



DIRECT PRIVATE INVESTMENTS

	Venture capital	57%
	Private equity	43%
	Crowd funding	29%
	Investing in start-ups	53%
	Angel investments	24%

TOP 3 METRICS FOR MEASURING IMPACT OF RESPONSIBLE INVESTMENTS

1	The return on investment	53%
2	Increased supply of microfinance loans	47%
3	Improvement in access to healthcare services	47%

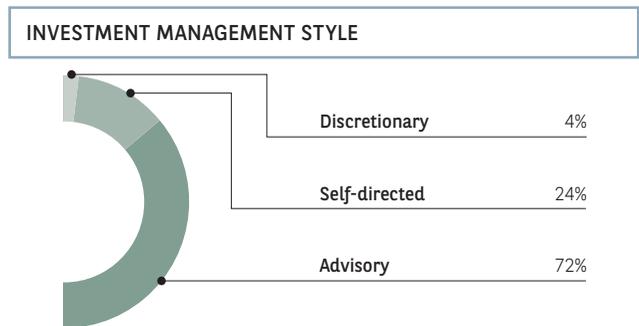
* Sustainable responsible investments

ITALY

- Italy is a top four market for Business Angels. Just over a third (34%) of Italian entrepreneurs have some angel investments.
- For Italian entrepreneurs, exposure to private equity is typically gained through a Private Equity fund: 62% invest through this vehicle (compared to 46% globally).
- Impact investment funds are the top vehicle of choice for Italian entrepreneurs when investing responsibly (60%).



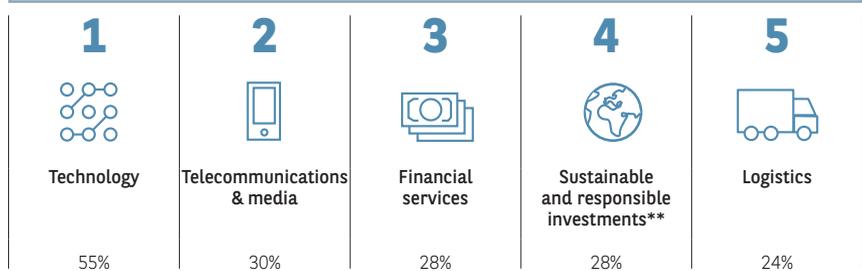
	Sample size	157
	Average age of entrepreneur	43
	Average primary company revenue (USD)	\$4,216,579
	Average number of companies started	3.2



INVESTMENT PORTFOLIO ALLOCATION

	Equities	19%
	Fixed income	18%
	Cash	12%
	Private equity	8%
	Owned business	16%
	Hedge funds	5%
	SRIs*	5%
	Real estate	11%
	Angel investments	4%
	Philanthropy & donations	2%

TOP 5 SECTORS FOR FUTURE INVESTMENTS



DIRECT PRIVATE INVESTMENTS

	Venture capital	38%
	Private equity	41%
	Crowd funding	22%
	Investing in start-ups	38%
	Angel investments	34%

TOP 3 METRICS FOR MEASURING IMPACT OF RESPONSIBLE INVESTMENTS

1	Reduction in unemployment	40%
2	Reduction in carbon footprint	40%
3	Improvement in access to healthcare services	38%

* Sustainable responsible investments

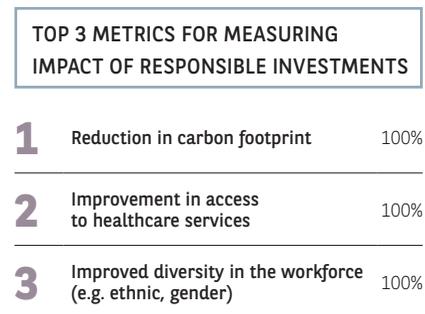
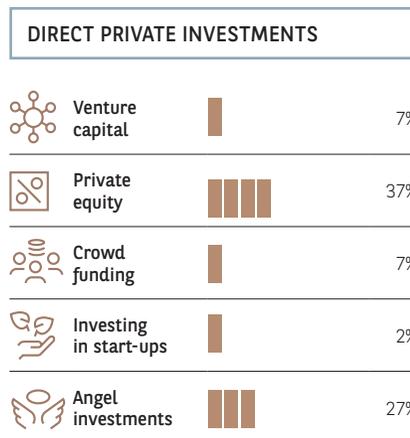
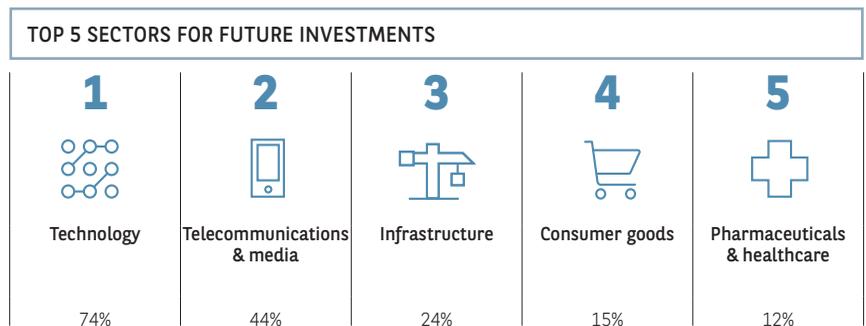
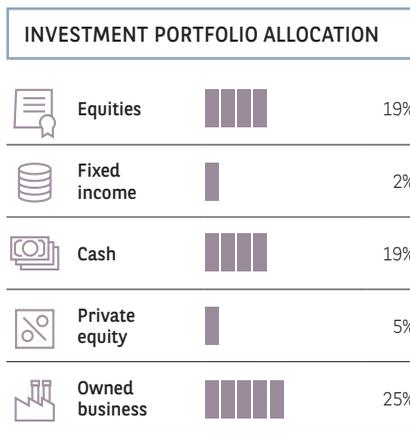
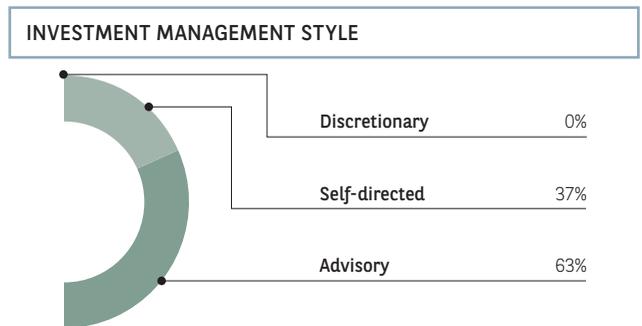
** e.g. environment, combating climate change

LUXEMBOURG

- Entrepreneurs in Luxembourg have allocated the largest proportions of their investable wealth towards real estate and owned business (25% each).
- 44% of entrepreneurs in Luxembourg manage their wealth independently - the highest proportion visible globally.
- 53% identify private equity opportunities based on their own research (compared to 22% globally).



	Sample size	41
	Average age of entrepreneur	42
	Average primary company revenue (USD)	\$2,016,051
	Average number of companies started	1.3



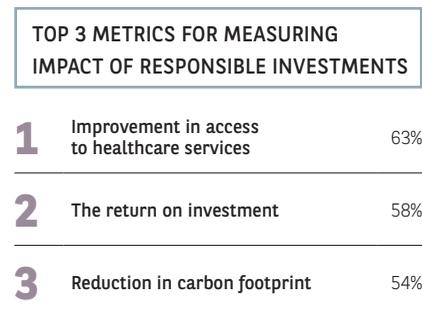
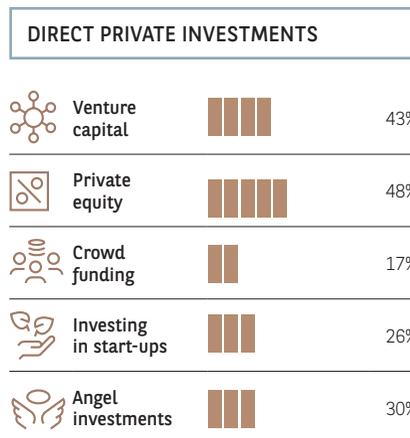
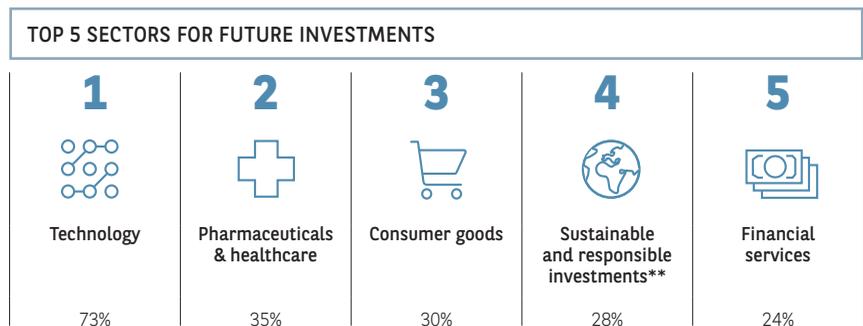
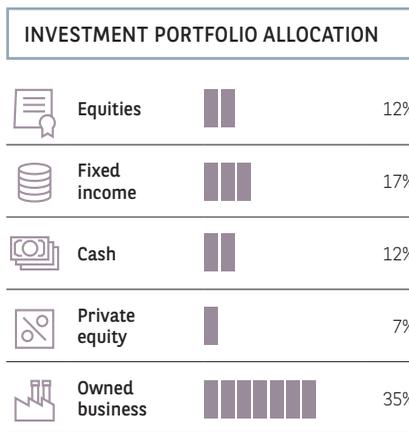
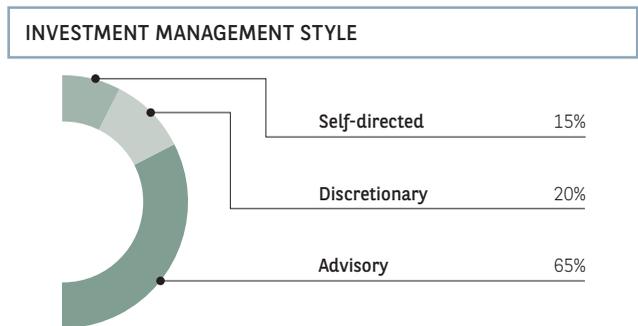
* Sustainable responsible investments

NETHERLANDS

- More than three quarters (77%) of Dutch entrepreneurs prefer to make direct investments to gain exposure to specific sectors and themes.
- Entrepreneurs in the Netherlands have the highest average allocation globally (35%) to their own businesses.
- For Dutch entrepreneurs, an important success metric for their SRIs is improving access to healthcare services.



	Sample size	86
	Average age of entrepreneur	46
	Average primary company revenue (USD)	\$3,301,406
	Average number of companies started	1.8



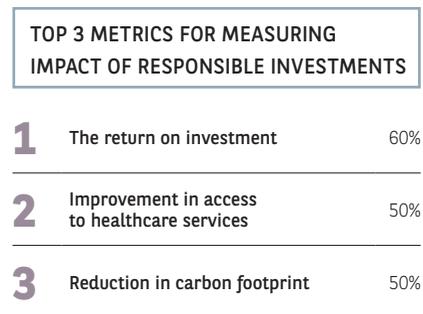
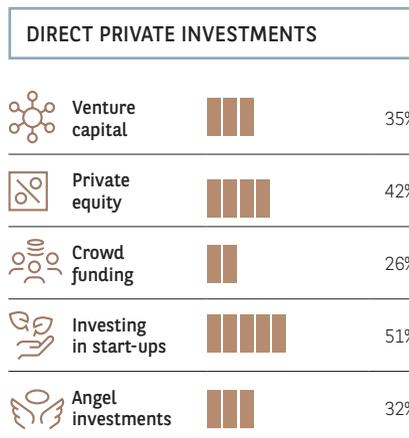
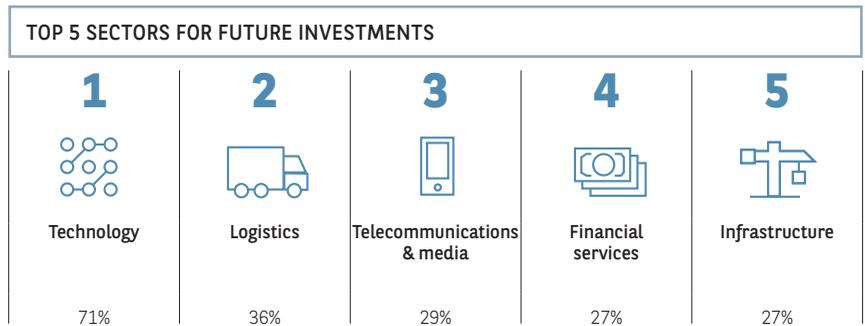
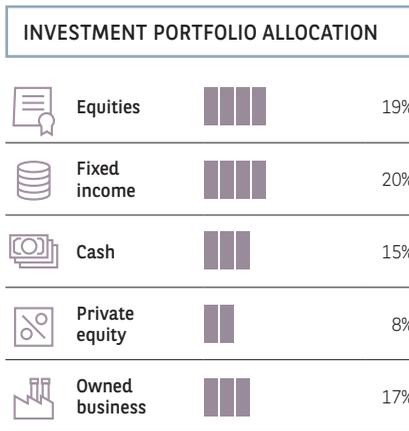
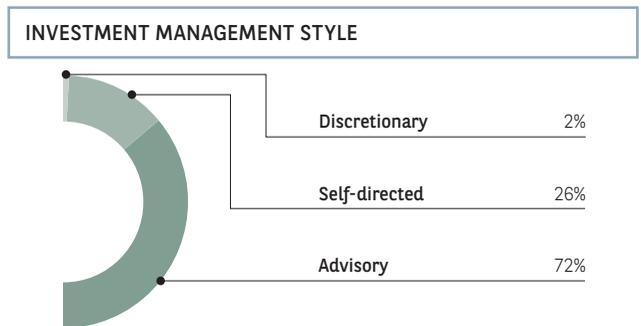
* Sustainable responsible investments
 ** e.g. environment, combating climate change

POLAND



- A high concentration of Start-up Supporters is found in Poland, where more than half (51%) of entrepreneurs have invested in a start-up.
- Half of Polish entrepreneurs rely on investment consultants to identify private equity opportunities, compared to 26% globally.
- For investment ideas, Polish entrepreneurs prefer to turn to an independent financial advisor (51%).

	Sample size	57
	Average age of entrepreneur	36
	Average primary company revenue (USD)	\$3,865,213
	Average number of companies started	2.8



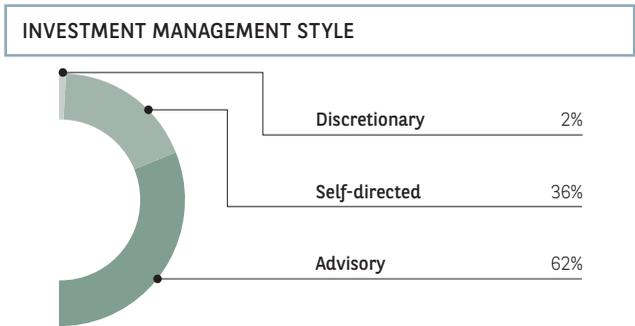
* Sustainable responsible investments

RUSSIA

- More than four-fifths (82%) of Russian entrepreneurs prefer to make direct investments to gain exposure to specific sectors and themes.
- Technology is seen as the most promising sector for the next five years by nearly three quarters (73%) of Russian entrepreneurs.
- Russian entrepreneurs rely equally on their wealth managers, investment consultants and their own research to identify private equity opportunities (28% each).



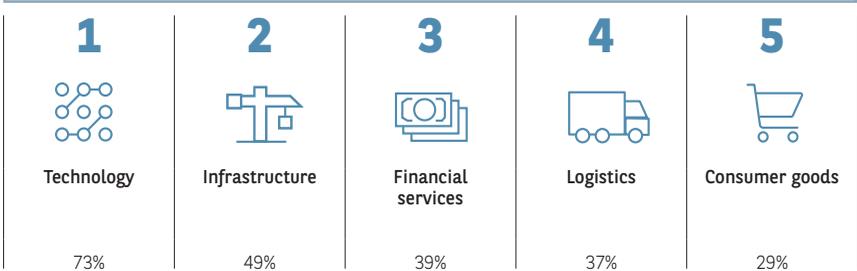
	Sample size	50
	Average age of entrepreneur	38
	Average primary company revenue (USD)	\$7,133,883
	Average number of companies started	3.8



INVESTMENT PORTFOLIO ALLOCATION

	Equities	17%
	Fixed income	13%
	Cash	15%
	Private equity	10%
	Owned business	19%
	Hedge funds	4%
	SRIs*	6%
	Real estate	10%
	Angel investments	3%
	Philanthropy & donations	3%

TOP 5 SECTORS FOR FUTURE INVESTMENTS



DIRECT PRIVATE INVESTMENTS

	Venture capital	50%
	Private equity	72%
	Crowd funding	22%
	Investing in start-ups	42%
	Angel investments	8%

TOP 3 METRICS FOR MEASURING IMPACT OF RESPONSIBLE INVESTMENTS

1	Improvement in access to healthcare services	63%
2	The return on investment	50%
3	Increased access to education	50%

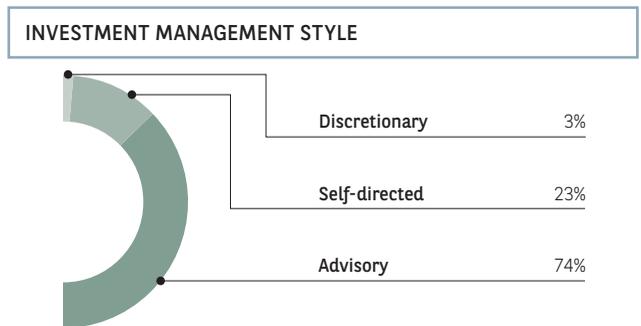
* Sustainable responsible investments

SINGAPORE



- Singaporean entrepreneurs predominantly rely on their wealth managers and investment consultants to source private equity investments (53% in total).
- For 70% of Start-up Supporters in Singapore, the growth potential of the sector has the greatest bearing on whether or not they will invest.
- Singaporean entrepreneurs have an above-average allocation to real estate (11%) compared to the rest of Asia (9%).

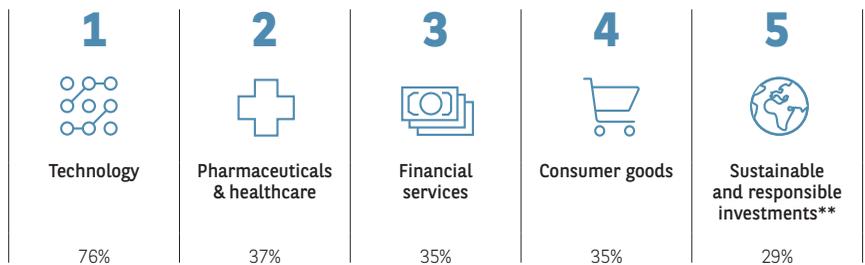
	Sample size	151
	Average age of entrepreneur	39
	Average primary company revenue (USD)	\$12,404,413
	Average number of companies started	2.5



INVESTMENT PORTFOLIO ALLOCATION

	Equities	22%
	Fixed income	14%
	Cash	15%
	Private equity	9%
	Owned business	18%
	Hedge funds	4%
	SRIs*	4%
	Real estate	11%
	Angel investments	2%
	Philanthropy & donations	1%

TOP 5 SECTORS FOR FUTURE INVESTMENTS



DIRECT PRIVATE INVESTMENTS

	Venture capital	40%
	Private equity	52%
	Crowd funding	30%
	Investing in start-ups	38%
	Angel investments	19%

TOP 3 METRICS FOR MEASURING IMPACT OF RESPONSIBLE INVESTMENTS

1	The return on investment	60%
2	Reduction in carbon footprint	60%
3	Improvement in access to healthcare services	47%

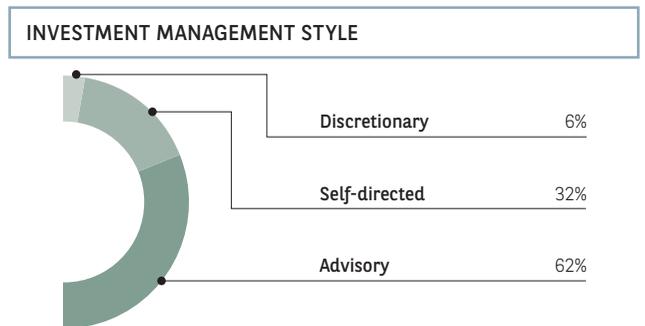
* Sustainable responsible investments
** e.g. environment, combating climate change

SPAIN

- Spain is a top five market for responsible investing: just under a third of Spanish entrepreneurs (32%) have SRIs.
- Nearly half of Spanish entrepreneurs measure the impact of their SRIs through the reduction of unemployment (46%).
- Spain is a top five market for private equity investors, with 72% of Spanish entrepreneurs using this vehicle to make direct investments into other businesses.



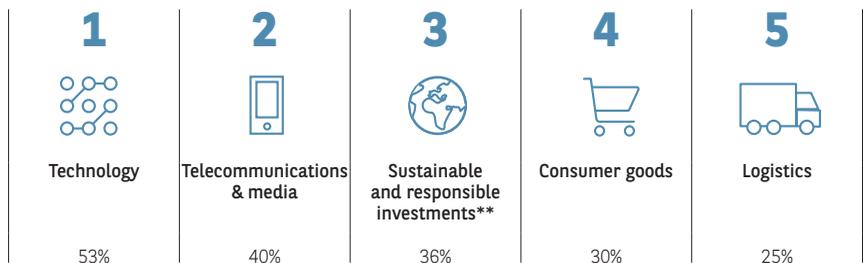
	Sample size	109
	Average age of entrepreneur	38
	Average primary company revenue (USD)	\$7,271,650
	Average number of companies started	2.9



INVESTMENT PORTFOLIO ALLOCATION

	Equities		21%
	Fixed income		18%
	Cash		15%
	Private equity		11%
	Owned business		15%
	Hedge funds		5%
	SRIs*		4%
	Real estate		7%
	Angel investments		2%
	Philanthropy & donations		2%

TOP 5 SECTORS FOR FUTURE INVESTMENTS



DIRECT PRIVATE INVESTMENTS

	Venture capital		39%
	Private equity		72%
	Crowd funding		25%
	Investing in start-ups		49%
	Angel investments		19%

TOP 3 METRICS FOR MEASURING IMPACT OF RESPONSIBLE INVESTMENTS

1	The return on investment	59%
2	Reduction in unemployment	46%
3	Reduction in carbon footprint	44%

* Sustainable responsible investments

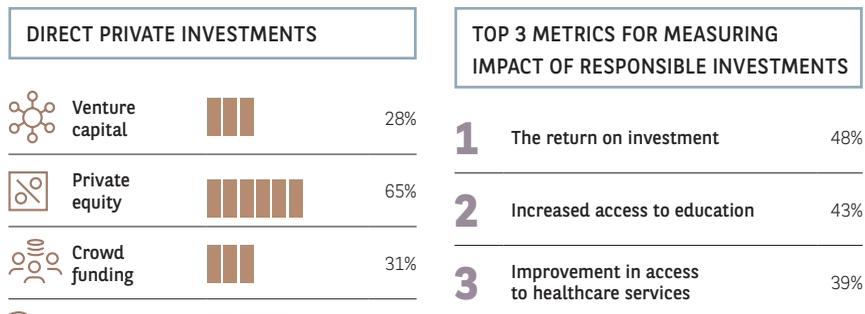
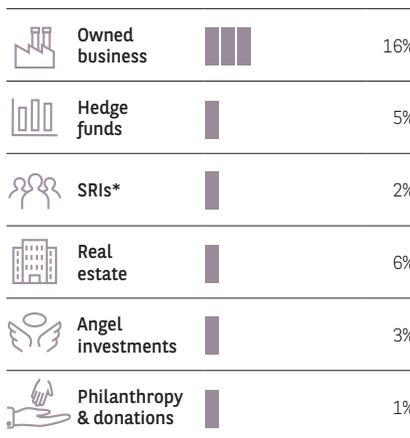
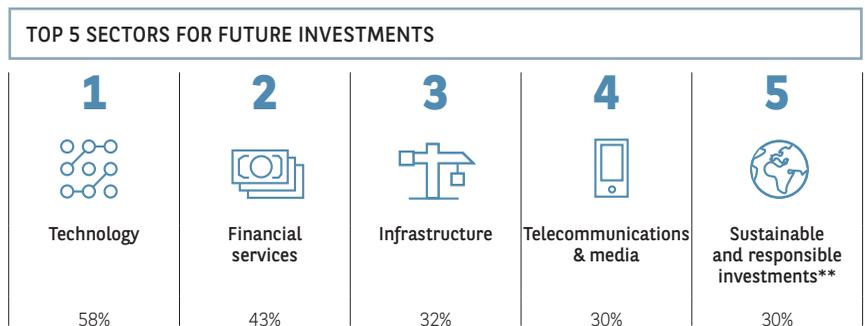
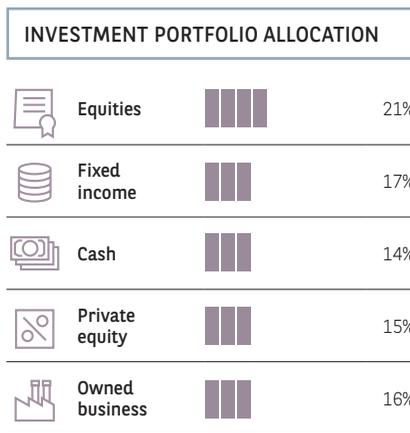
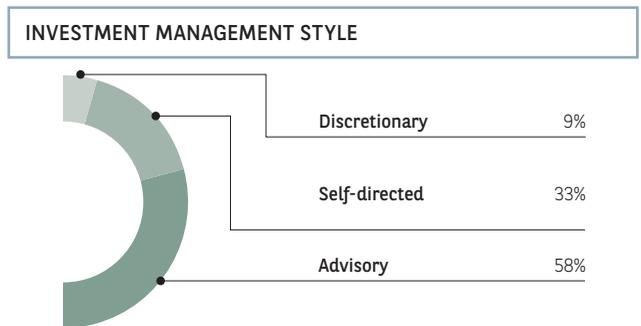
** e.g. environment, combating climate change

SWITZERLAND

- Swiss entrepreneurs have the highest portfolio allocation towards private equity across the world – typically, 15% of total wealth is dedicated to this asset class.
- Swiss entrepreneurs are most likely to access private equity through a co-investment deal (43%).
- In Switzerland, the most important consideration before investing in start-ups is the calibre and potential of the founders (22%).



	Sample size	78
	Average age of entrepreneur	45
	Average primary company revenue (USD)	\$21,681,098
	Average number of companies started	2.7



* Sustainable responsible investments
** e.g. environment, combating climate change

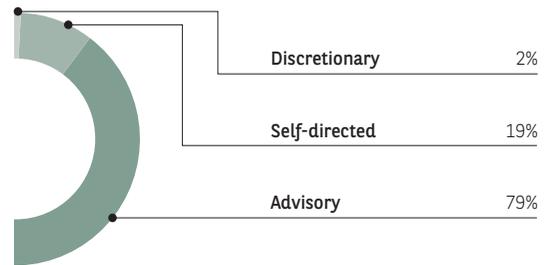
TAIWAN

- 63% of entrepreneurs in Taiwan have used venture capital to make direct investments into other businesses.
- The highest concentration of Impact Seekers can be found in Taiwan, with 39% of entrepreneurs using SRIs.
- Nearly four fifths (79%) of Taiwanese entrepreneurs manage their investment portfolio on an advisory basis.



	Sample size	80
	Average age of entrepreneur	41
	Average primary company revenue (USD)	\$6,302,802
	Average number of companies started	2.4

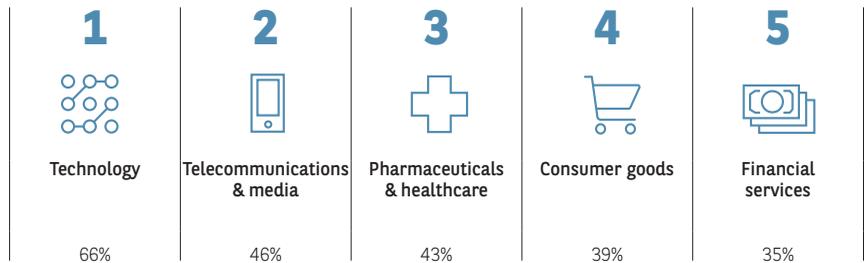
INVESTMENT MANAGEMENT STYLE



INVESTMENT PORTFOLIO ALLOCATION

	Equities		23%
	Fixed income		18%
	Cash		17%
	Private equity		5%
	Owned business		17%
	Hedge funds		3%
	SRIs*		2%
	Real estate		12%
	Angel investments		1%
	Philanthropy & donations		2%

TOP 5 SECTORS FOR FUTURE INVESTMENTS



DIRECT PRIVATE INVESTMENTS

	Venture capital		63%
	Private equity		35%
	Crowd funding		24%
	Investing in start-ups		46%
	Angel investments		10%

TOP 3 METRICS FOR MEASURING IMPACT OF RESPONSIBLE INVESTMENTS

1	The return on investment	50%
2	Reduction in carbon footprint	50%
3	Improvement in access to healthcare services	46%

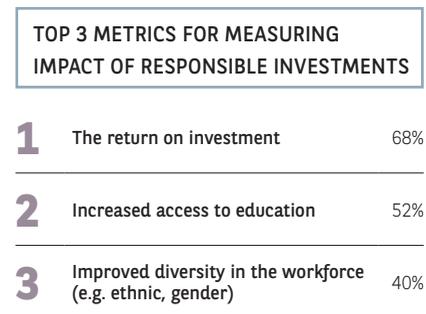
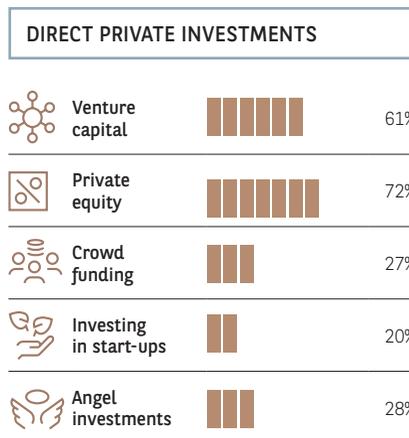
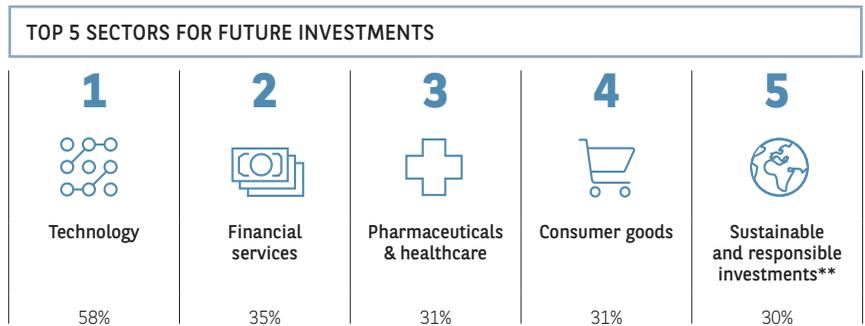
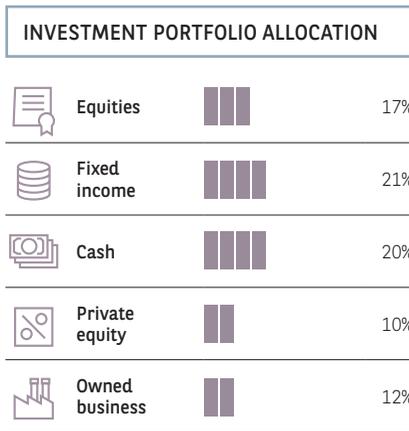
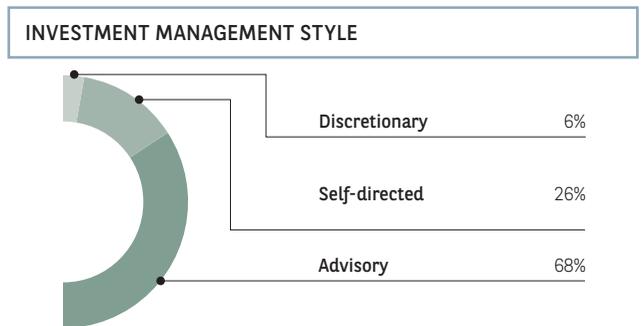
* Sustainable responsible investments

TURKEY



- 72% of Turkish entrepreneurs hold private equity investments, compared to the global average of 52%.
- Turkish entrepreneurs are most likely to say that they rely on their co-investment partners to identify new private equity opportunities.
- Business Angels in Turkey are equally driven to make angel investments for returns as they are to gain exposure to emerging technologies and innovative business ideas (75%).

	Sample size	85
	Average age of entrepreneur	36
	Average primary company revenue (USD)	\$3,142,545
	Average number of companies started	3.6



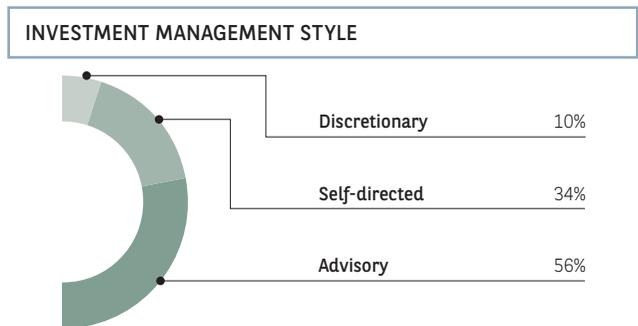
* Sustainable responsible investments
** e.g. environment, combating climate change

UNITED KINGDOM

- Sustainable and responsible investing is considered a top two growth sector by UK entrepreneurs (38%).
- UK entrepreneurs say that improved diversity in the workplace is as important to them as return on investment when measuring the impact of their SRIs (42% each).
- 29% of Business Angels in the UK believe technology and virtual reality represent the most exciting opportunities for future growth in the next ten years.



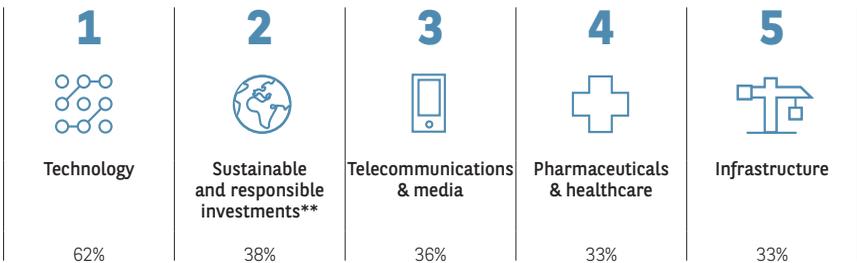
	Sample size	171
	Average age of entrepreneur	41
	Average primary company revenue (USD)	\$4,278,808
	Average number of companies started	4.0



INVESTMENT PORTFOLIO ALLOCATION

	Equities		21%
	Fixed income		16%
	Cash		14%
	Private equity		10%
	Owned business		15%
	Hedge funds		5%
	SRIs*		4%
	Real estate		10%
	Angel investments		2%
	Philanthropy & donations		3%

TOP 5 SECTORS FOR FUTURE INVESTMENTS



DIRECT PRIVATE INVESTMENTS

	Venture capital		43%
	Private equity		60%
	Crowd funding		29%
	Investing in start-ups		40%
	Angel investments		30%

TOP 3 METRICS FOR MEASURING IMPACT OF RESPONSIBLE INVESTMENTS

1	The return on investment	42%
2	Improved diversity in the workforce (e.g. ethnic, gender)	42%
3	Improvement in literacy rate	40%

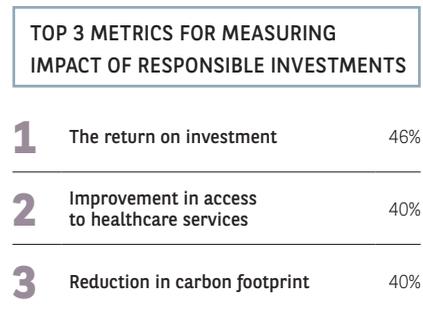
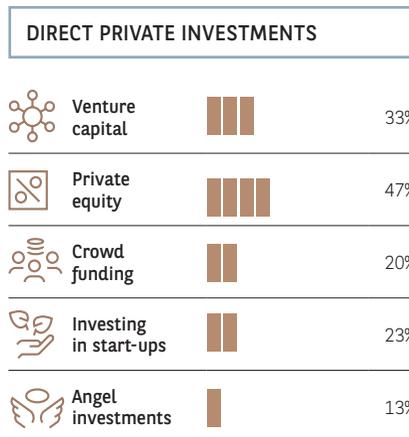
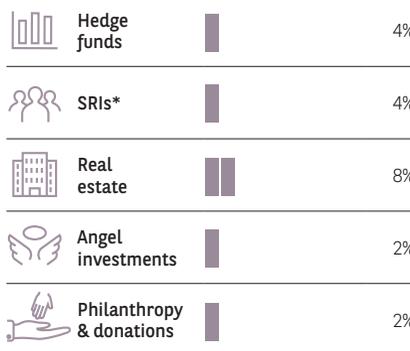
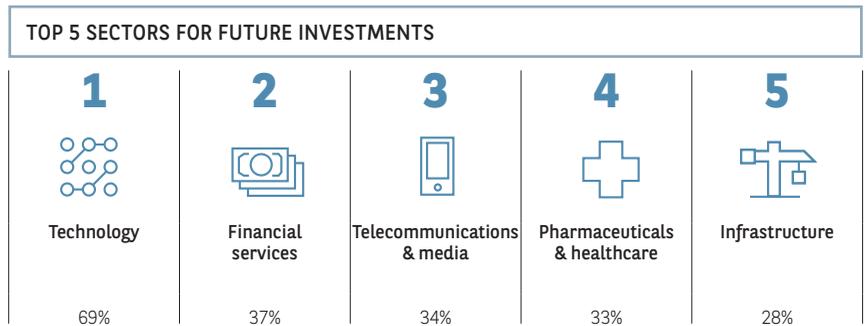
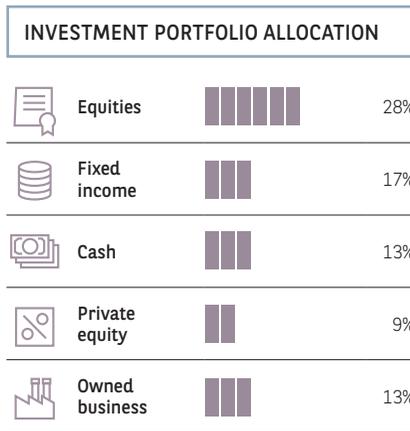
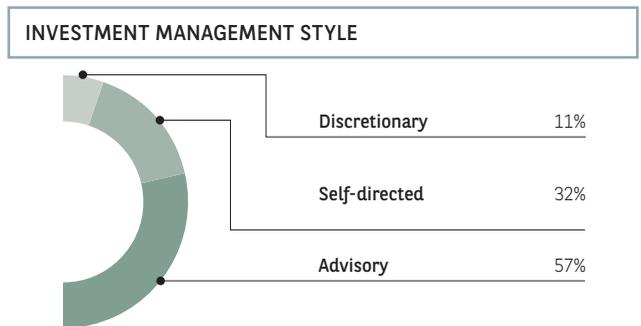
* Sustainable responsible investments
** e.g. environment, combating climate change

USA

- In the US, the allocation of total wealth to equities is much greater than the global average, at 28% compared to 20%.
- More than two thirds (67%) of US Business Angels are motivated by the chance to support and mentor new entrepreneurs.
- After returns, entrepreneurs with responsible investments in the US are mainly concerned with reducing the carbon footprint and improving access to healthcare services (40%).



	Sample size	387
	Average age of entrepreneur	45
	Average primary company revenue (USD)	\$5,143,450
	Average number of companies started	2.3



* Sustainable responsible investments

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