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**HSBC Survey: Over 80% Southbound Wealth Management  
Connect Investors Interested in Funds, 74% Northbound Investors  
Prefer Equity Wealth Management Products**

*Funds with China theme are top choice among Southbound investors*

Funds are the preferred investment choice among eligible investors of Southbound services in the Cross-boundary Wealth Management Connect (the Scheme), while Northbound investors generally picked equity wealth management products, finds a recent HSBC survey.

HSBC conducted an online survey in October 2021 with 2,300 people living in the Greater Bay Area, aimed to study the investment appetite of potential investors with at least 1 million liquid assets in local currency.

A majority of Southbound (91%) and Northbound (76%) respondents said they are interested to participate in the Scheme; “products meet my needs” and “enrich investment portfolio” are two of the main reasons identified by both group of respondents.

For Southbound respondents interested in the Scheme, 83% showed interest in funds, compare to other eligible products such as HKD deposit (70%), bonds (57%) and foreign currency deposit (25%). For Northbound respondents, equity wealth management products ranked the top (74%), followed by public fixed income wealth management products (58%) and public securities investment funds (27%).

**Daniel Chan, Head of Greater Bay Area, HSBC, said,** “Funds and equity wealth management products are the preferred choices as they provide investors a gateway to capture the opportunities from certain sectors or geographical markets, which may not be available to them previously outside the Scheme. The survey also reveals that investors are particularly interested in funds with exposure to technology, energy and biotechnology, which shown rapid development in the past few years.”

Interestingly, while the Scheme provides a new channel for investors to diversify and globalise their investment portfolio, majority (62%) of the Southbound respondents expressed interest in funds with China exposure, significantly higher than Asia and Global (both at 40%).

“This might be because investors prefer to start their overseas investment with something they are more familiar with. Also, as a number of well-known Chinese firms are only listed overseas, mainland Chinese investors may not be able to participate in their growth journey previously and may want to seize the opportunities by picking funds with China theme in the Scheme,” **Chan** explained.

The survey also highlighted that brand image (80%) is the most common criteria for Southbound investors when choosing the Bank for the service, followed by product variety (66%) and a user friendly digital channel (59%). For Northbound investors, the top focuses are service charge (67%), brand image (60%) and return of product (54%).

When asked about expected annualised return from the investment, over half (55%) of Southbound investors and 44% of Northbound investors looking for 7-9% yield, whereas a considerable portion of respondents (28% of Southbound and 40% of Northbound) targeting at least double digit rate of return.

Separately, the survey shows differences in preference for how to manage investment under this Scheme. Northbound investors are mostly happy with mobile or online platform (62%), while 52% of Southbound investors opt for ways with human touch, such as via relationship manager, local or Hong Kong/Macau branch.

“Like other cross-boundary financial initiatives, investors will need some time and support to better understand the opportunities in Asia and global markets,” said **Chan**. “We are confident the demand will continue to grow when people are getting more familiar with the Scheme and a larger variety of products are available. HSBC will continue to strengthen the product shelf and focus on customer education.”

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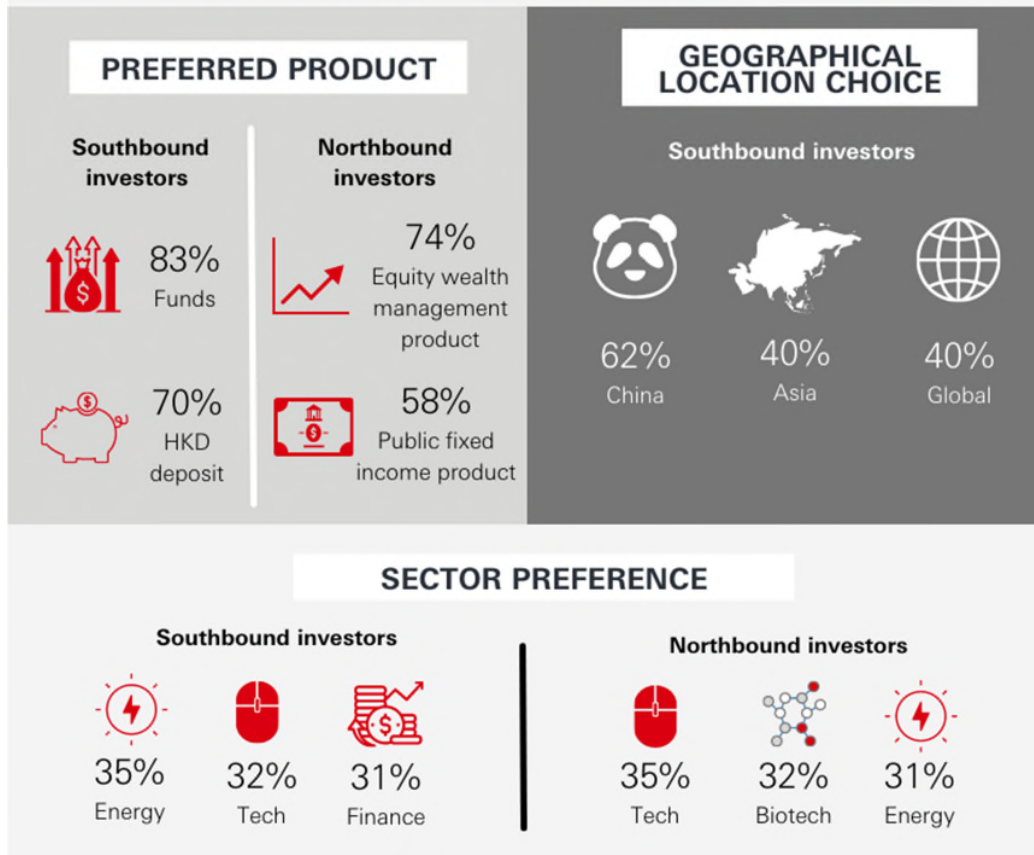
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#### **Note to editors**

##### **About HSBC GBA Wealth Management survey**

HSBC conducted an online survey between 14 and 27 October 2021, aims to study the investment appetite of residents in the 11 cities in the GBA (including Guangzhou, Shenzhen, Hong Kong, Macau, Zhuhai, Foshan, Huizhou, Dongguan, Zhongshan, Jiangmen and Zhaoqing) who has 1 million liquid assets or above (in local currency) in cross-boundary Wealth Management Connect. It studies the preferred type of asset class, geographical exposure, sector and how they select their preferred bank. The respondents live in the 11 cities of the region. A total of 2,300 residents aged 18-64 participated in the survey.

# GBA INVESTORS' PREFERENCE ON WEALTH MANAGEMENT CONNECT



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