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Over 80% of Wealth Management Connect Investors Plan to Increase Investment in the Scheme In The Next 12 Months, HSBC's Survey Finds*Simplified registration process, remote investment counselling & expanded product range will drive greater adoption of the Scheme*

Residents in the Greater Bay Area continue to show keen interest in cross-border investment, according to a recent HSBC survey. Among those who already invested via the Cross-boundary Wealth Management Connect Scheme ("the Scheme"), 75% of Northbound investors and 85% of Southbound investors plan to invest more in the next 12 months, with a significant portion eyeing an increase of 5 -10%.

HSBC conducted an online survey in August 2022 among 2,000 residents in 11 cities in the GBA, aimed to better understand the cross-boundary investment appetite of people with at least 1 million liquid assets in local currency.

The survey also finds that investors tend to use the Scheme for mid-to-long term investment. Around two-thirds of Southbound respondents consider medium-term investments (6-12 months) and a quarter looking at investing long-term (over 12 months). Similarly, 56% and 33% Northbound respondents plan for medium-term and long-term investments, respectively.

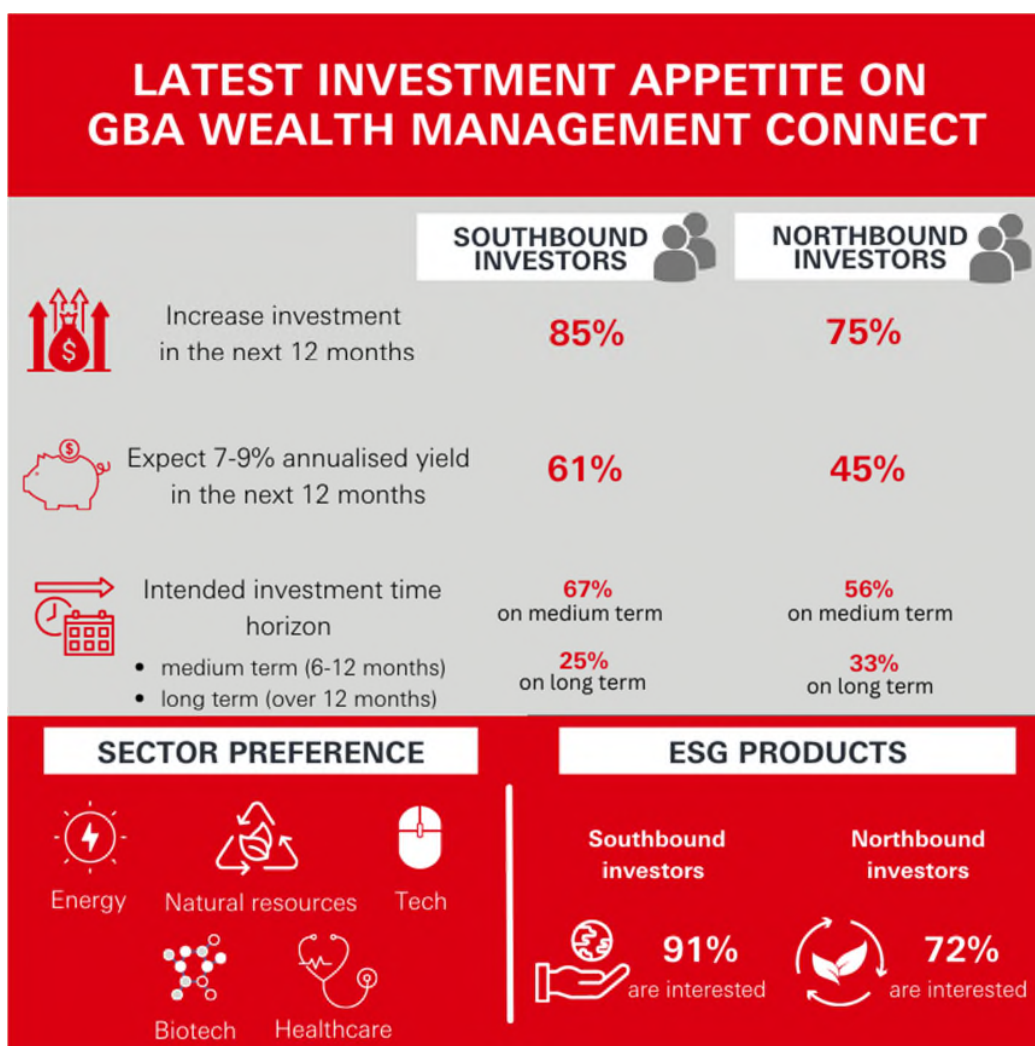
In addition, despite the volatile market, most investors managed to record at least 4% return from their investment so far. Almost all respondents (98%) are confident that their investment via the Scheme will meet their expected return in the next 12 months – with 61% of Southbound investors expecting 7-9% yield per annum, while 45% of Northbound investors anticipating the same level of return.

Daniel Chan, Head of Greater Bay Area, HSBC, said, "Investors in the region continue to show confidence and growing interest in the Cross-boundary Wealth Management Connect Scheme as we mark its one-year anniversary despite the challenging market environment. Greater economic connectivity will continue to drive growing cross-boundary investment demand. It is encouraging to see that the majority of GBA residents can achieve stable returns by investing via the Scheme, reinforcing their confidence in the outlook."

Separately, the survey highlights that energy, natural resources, technology, biotechnology, and healthcare are the top five industries respondents are interested to invest in. Ninety-one per cent of Southbound respondents and 72% of Northbound respondents expressed interest to invest in environmental, social and governance (ESG) products.

The survey asked about ways to increase attractiveness of the Scheme. Around 40% of current investors would like to see individual investment quota increased to RMB5 million, the inclusion of medium-to-high risk ratings products for investment and the introduction of remote investment advisory services. Those who are yet to participate in the Scheme said that simplifying account opening procedure and allowing remote account opening are key factors that may encourage take-up.

Chan concludes, "Looking ahead, we hope the scheme can be broadened further by expanding product scope, simplifying the onboarding journey, and enabling remote investment advisory. This will drive more residents to diversify their wealth via cross-boundary investment, offering more options to help them achieve their long-term financial goals that in turn will enhance the wealth management industry in the GBA."



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Note to editors

About HSBC GBA Wealth Management survey

HSBC conducted an online survey in August 2022, 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 their investment appetite, 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 2000 residents aged 18-64 participated in the survey.

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