



Beyond Baby Boomers

The Investable Assets of Tomorrow

2017

Disclosures

Investing involves risk, including the possible loss of principal. In addition to the normal risks associated with investing, international investments may involve risk of capital loss from unfavorable fluctuation in currency values, from differences in generally accepted accounting principles or from economic or political instability in other nations.

The information provided is not intended for trading purposes and should not be considered investment advice.

Outline of the 2017 Beyond Baby Boomers Survey

Basics of the 2017 Survey of Affluent Gen X'ers & Millennials

- Global X conducted independent research via a third party partner in Q1 2017
- The survey was structured to investigate the specific investment needs and wants of affluent Gen X'ers and Millennials

Profile of Survey Participants

	Ages	Investable Assets	Number Surveyed
MILLENNIALS	21-37	>\$250,000	200
GEN X'ers	38-49	>\$500,000	200
GENERAL POPULATION	21-86	>\$100,000	200

Major takeaways for FAs

- 1 The value of human advice remains high
- 2 FAs must become more tech savvy
- 3 FAs need to increase their knowledge of thematic investing
- 4 Connecting how and when affluent Gen X'ers and Millennials want is key

1 The Value of Human Advice Remains High

Looking to increase assets managed by an advisor

THOSE LOOKING TO INCREASE ASSETS MANAGED BY AN ADVISOR

Q: “Over the next 10 years, do you believe the percentage of your investable asset managed by a financial advisor or broker will increase?”

% Looking to Increase

64%

MILLENNIALS

48%

GEN X

Comments

- While robo-advisors do present a new kind of option for Millennials and Gen X'ers, our survey found that these younger generations are far from finished considering increasing assets managed by a human
- If you are a financial advisor, a question to ask yourself might be “How can I capture more of these assets?”
 - Our survey illuminates the answer to this question, and it isn't a dark secret.
 - Simply put: “Connect with them how they want and when they want.”

2 FAs must become more tech savvy

How important are tech capabilities?

IMPACT OF TECH CAPABILITIES ON WORKING WITH FINANCIAL ADVISORS

Q: “How much of an effect, if any, would a financial advisor having strong technological capabilities have on your likelihood to work with them?”

% Much / Somewhat More Likely

93%

MILLENNIALS

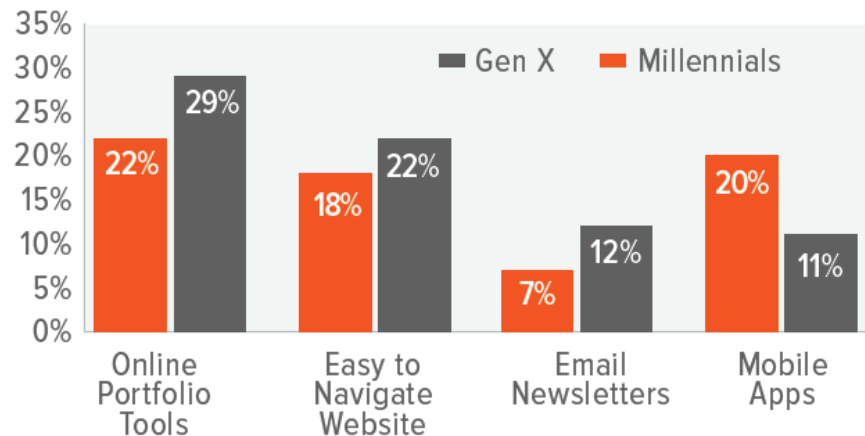
71%

GEN X

What does “Tech Savvy” mean?

“MOST IMPORTANT” FINANCIAL ADVISOR TECH CAPABILITIES

Q: “Rank the top three most important technological capabilities for a financial advisor to have?”



Comments

- It isn't news that being “Tech Savvy” is basically table stakes to winning over Millennials and Gen X'ers.
- That noted, we were still surprised at just how important it is.
- Stay tuned for more info on the importance of Social Media...

FAs need to increase their knowledge of thematic investing

Interest in Thematic Investing?

INTEREST IN THEMATIC INVESTING

Q: "How interested are you in thematic investing?"

% Extremely / Very Interested



31%
GEN POP



83%
MILLENNIALS



61%
GEN X

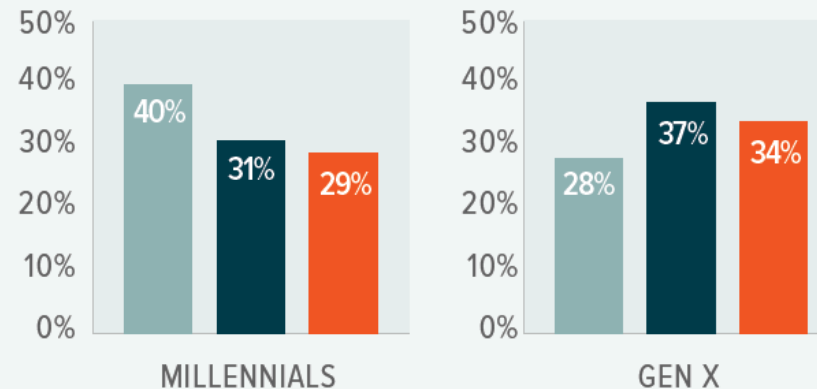
Which Thematic Trends Are They Most Interested In?

INTEREST IN THEMATIC INVESTING TRENDS

Q: "Which of the following categories of thematic investing interests you most?"

% Extremely / Very Interested

■ Long Term Demographic Trends
 ■ Companies That Align With Your Personal Values
 ■ Disruptive Technologies



Comments – Get Smart on Thematic Investing!

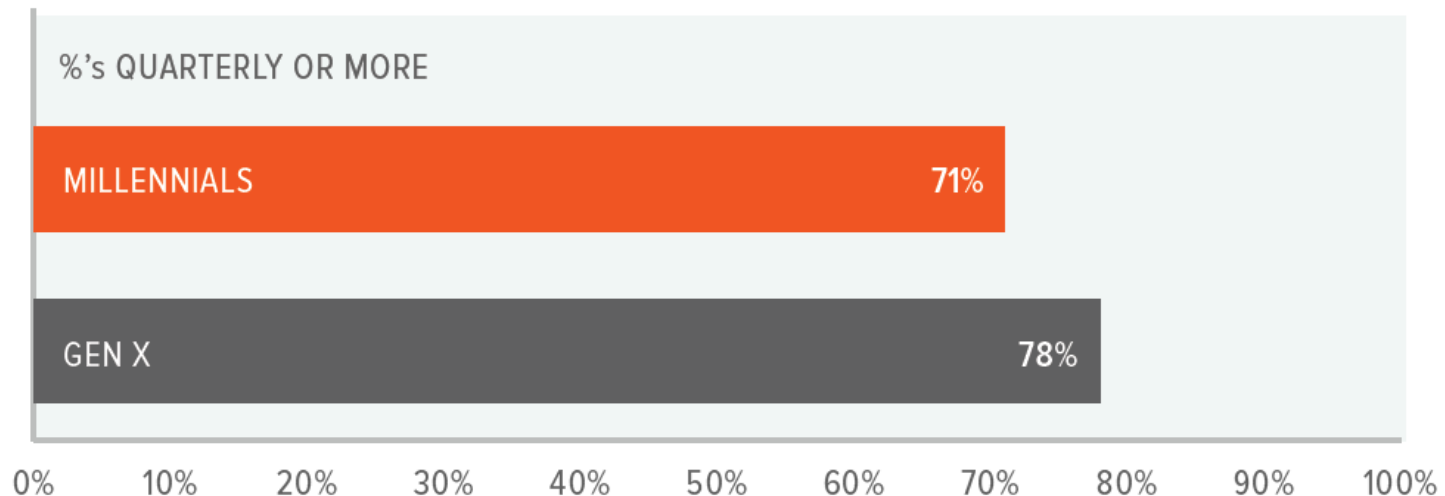
Millennials and Gen X'ers are much more interested in Thematic Investing than the average Joe, and they are interested in themes that run the gamut from investing alongside their personal values to investing in disruptive technologies.

Connecting how and when affluent Gen X'ers and Millennials want is key (1/3)

Preferred Frequency of Interaction – Set a Cadence!

(FIG. 1) PREFERENCE TO INTERACT WITH AN FA QUARTERLY OR MORE

Q: “How often would you like to receive information from your financial advisor?”



Comments

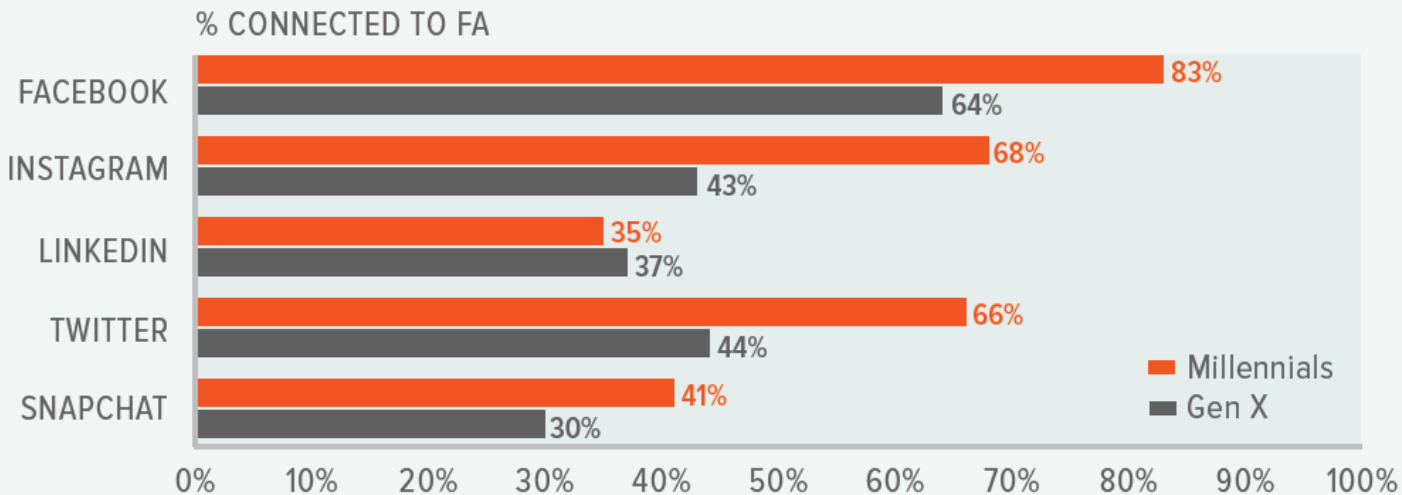
In terms of desired frequency of communication, Gen X'ers seem to be just a bit more high maintenance than Millennials, but a grand majority of both groups **prefer to interact with their advisors quarterly or more.**

Connecting how and when affluent Gen X'ers and Millennials want is key (2/3)

Preferred Social Media Platforms

(FIG. 2) PRESENCE AND CONNECTIONS ON SOCIAL MEDIA

Q: "On what social media platforms are you connected with your financial advisor?"



Comments

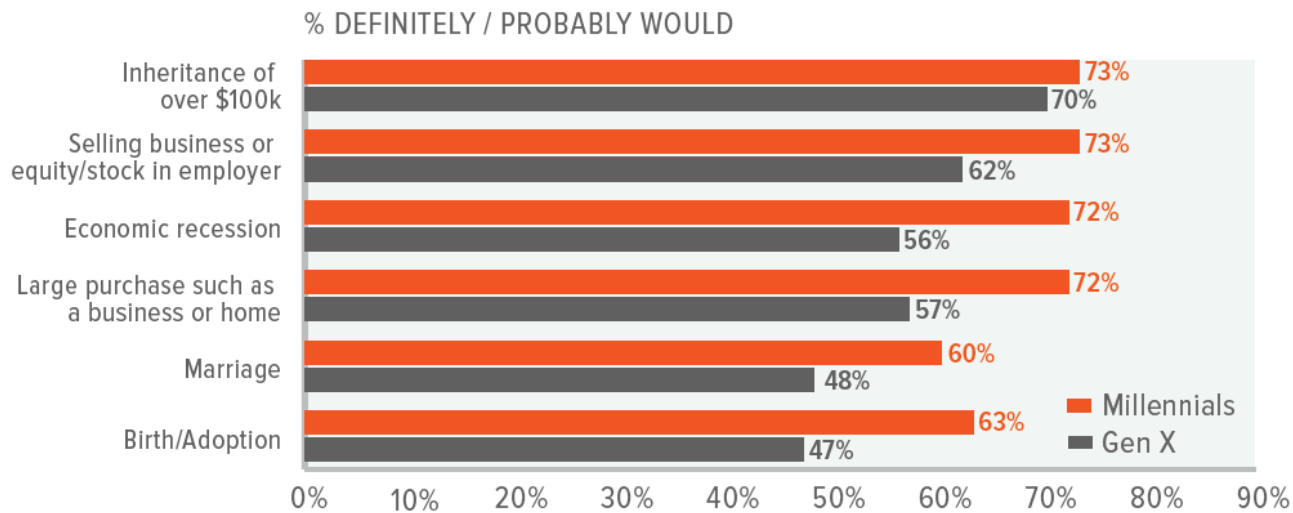
Having a social media presence is key to connecting with these younger generations, and if an advisor has only a LinkedIn profile, he/she is not connecting with Millennials and Gen X'ers via their preferred networks. The **strong preference for Facebook and Instagram** could indicate that it's important for Millennials and Gen X'ers to **see how their advisors live their personal lives**. This insight may expand the feeling of connection and trust between advisor and client.

Connecting how and when affluent Gen X'ers and Millennials want is key (3/3)

Being in the Know about Life Events

(FIG. 3) IMPACT OF LIFE EVENTS ON USING A FINANCIAL ADVISOR

Q: "How likely would you be to significantly increase the percentage of your investable assets managed by a financial advisor during the following life events?"



Comments

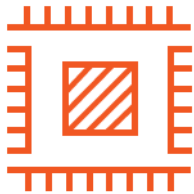
When an advisor connects with his/her clients via social media, **some life events, such as marriage or births/adoptions, will come through those social media feeds.** It's also possible that something like the loss of a parent will be flagged on a client's social media account.

Key Takeaways – What Do Affluent Gen X'ers and Millennials Really Want? (1/2)



They Want to Invest More With an Advisor

Affluent Gen X'ers and Millennials are looking to increase the amount of money they have with an advisor by 48% and 64%, respectively, which potentially opens the door to business development for advisors.



They Want Advisors To Be Tech Savvy

A contemporary advisor must show Gen X'ers and Millennials that he/she embraces the best parts of the tech and digital revolution.



They Want Advisors To Connect With Them

Connecting quarterly or more is important, and advisors who show these younger generations who they are via social media feeds can leverage this key differentiator and help to engender trust.

Key Takeaways – What Do Affluent Gen X'ers and Millennials Really Want? (2/2)



They Want Financial Advice At Key Life Stages

Whether a life stage is a personal one, such as the death of a parent or the welcoming of a new baby, or an external one, such as an economic recession, Gen X'ers and Millennials are open to advice from an advisor.



They Are Interested in Thematic Investing

These younger generations are interested in investing that aligns with their values (e.g., ESG/SRI) and their interests (e.g., Tech). An advisor who can add valuable advice in these areas can differentiate him/herself.