



# Avaloq 2023 investor survey: The five dimensions of investor behaviour





# About this research

This article is based on original research undertaken by Avaloq. The Avaloq 2023 investor survey shines a light on the fundamentals of investor behaviour across Europe and Asia. We conducted a survey among mass-affluent to ultra-high net worth individuals in six markets to understand what motivates them, which investment methods they use, what their attitude to risk is, which types of investment they favour and which sources inform their investment decisions. By comparing the responses with our 2021 and 2022 data, we aim to provide insights that can help you better understand the evolving investor landscape. Each topic includes commentary from Martin Greweldinger, Chief Executive Officer at Avaloq.

The Avaloq 2023 investor survey is an online survey of 3,000 investors aged 18 and above across six European and Asian markets: Germany, Switzerland, the UK, Hong Kong, Japan and Singapore (500 respondents per market). 57% of respondents were mass-affluent (with investable assets of USD 250,000 to USD 1 million) while 37% fell within the high net worth (HNW) segment (with investable assets of USD 1 million to USD 50 million) and 6% within the ultra-high net worth (UHNW) bracket (with investable assets above USD 50 million). The survey was conducted in February and March 2023.

# Why do people invest?

A majority of affluent to UHNW individuals surveyed by us invest to generate additional income and to save up for retirement. This is reflected across most of the six<sup>1</sup> markets included in our survey.

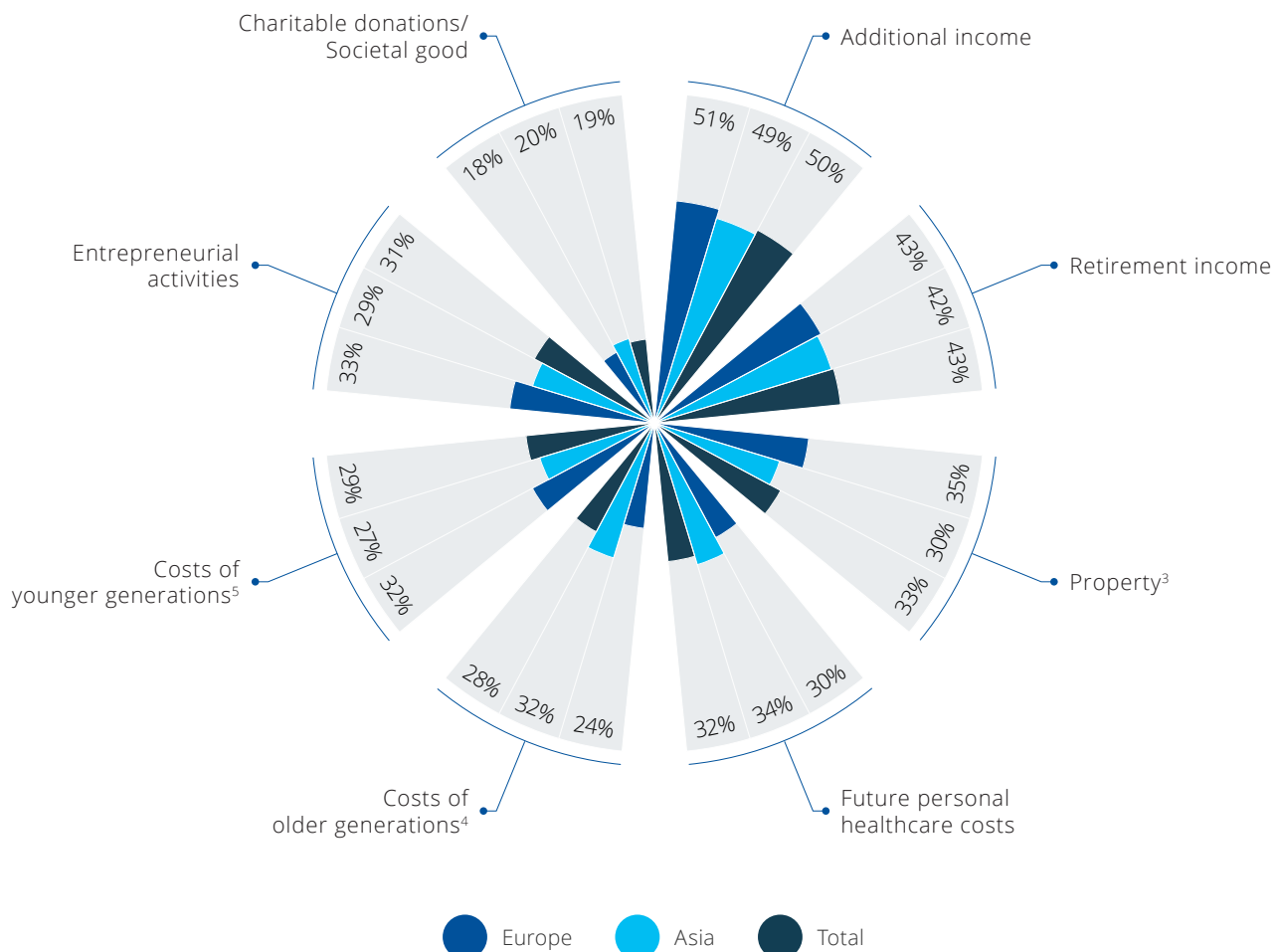
Additional income is the top motivating factor for 51% of respondents in Europe, possibly influenced by geopolitical tensions and the energy crisis in the region, which have heightened investors' eagerness for financial certainty through predictable cash flows. This figure has seen an increase from 35% in 2022.

The costs of older generations are cited as a reason by 32% of respondents in Asia, versus 24% in Europe. While this regional difference can be attributed to cultural and demographic factors, it may surprise to see that Switzerland's percentage matches those in Asia.

"Private banks are facing growing pressure to offer more income-oriented products and investments in the current volatile economic environment," Martin Greweldinger, CEO Avaloq, commented.

"With geopolitical tensions, energy crises and supply chain disruptions causing uncertainty in the investment climate, investors are seeking consistent and steady returns. Traditionally, most investors relied on bonds to generate consistent income. However, rising interest rates have introduced notable volatility into the performance of traditional bonds, also leading to concerns about higher default rates. To meet the income-generating needs of their clients, we are seeing more and more financial institutions offering alternative options such as dividend-paying stocks and income-oriented alternative investments. By doing so, private banks can enhance their value proposition and remain competitive in a challenging market."<sup>2</sup>

**Illustration 1: For which of the following reasons are you investing?**



# How do people invest?

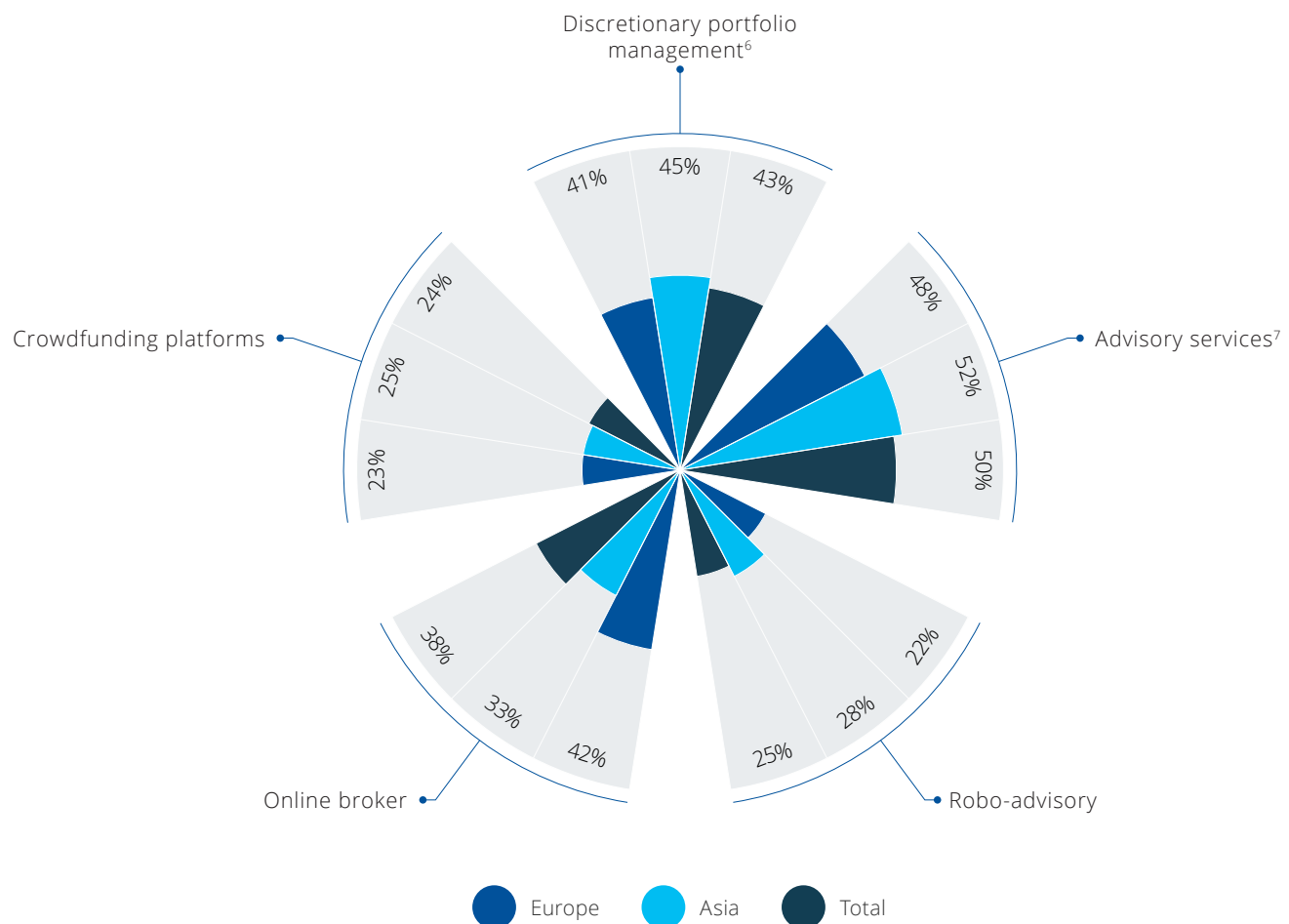
As in 2022, around half of the investors we surveyed use investment advisory services, whereby an investor receives professional investment advice but retains decision-making power. While this is the most popular method in four of the six markets, the percentages vary significantly.

Discretionary portfolio management (DPM), where an investor hands over full decision-making power to a financial adviser, is the second most popular method according to our survey, followed by online brokers in third place. It is worth noting that DPM is more popular with investors in markets with a more mature wealth management industry, such as Switzerland, Hong Kong and Singapore.

"As investors become more sophisticated and demand for tailored investment solutions rises, private banks and wealth managers are strengthening their advisory and DPM offerings to differentiate themselves in a crowded market," Martin Greweldinger stated.

"The uptake of portfolio mandates among investors has grown over the past few years. This shift is driven by banks seeking predictable revenue streams, the ability to scale services to clients and investors recognizing the benefits of involving professionals in portfolio management. At Avaloq, we expect this trend to accelerate."

**Illustration 2: Which methods do you use to invest?**



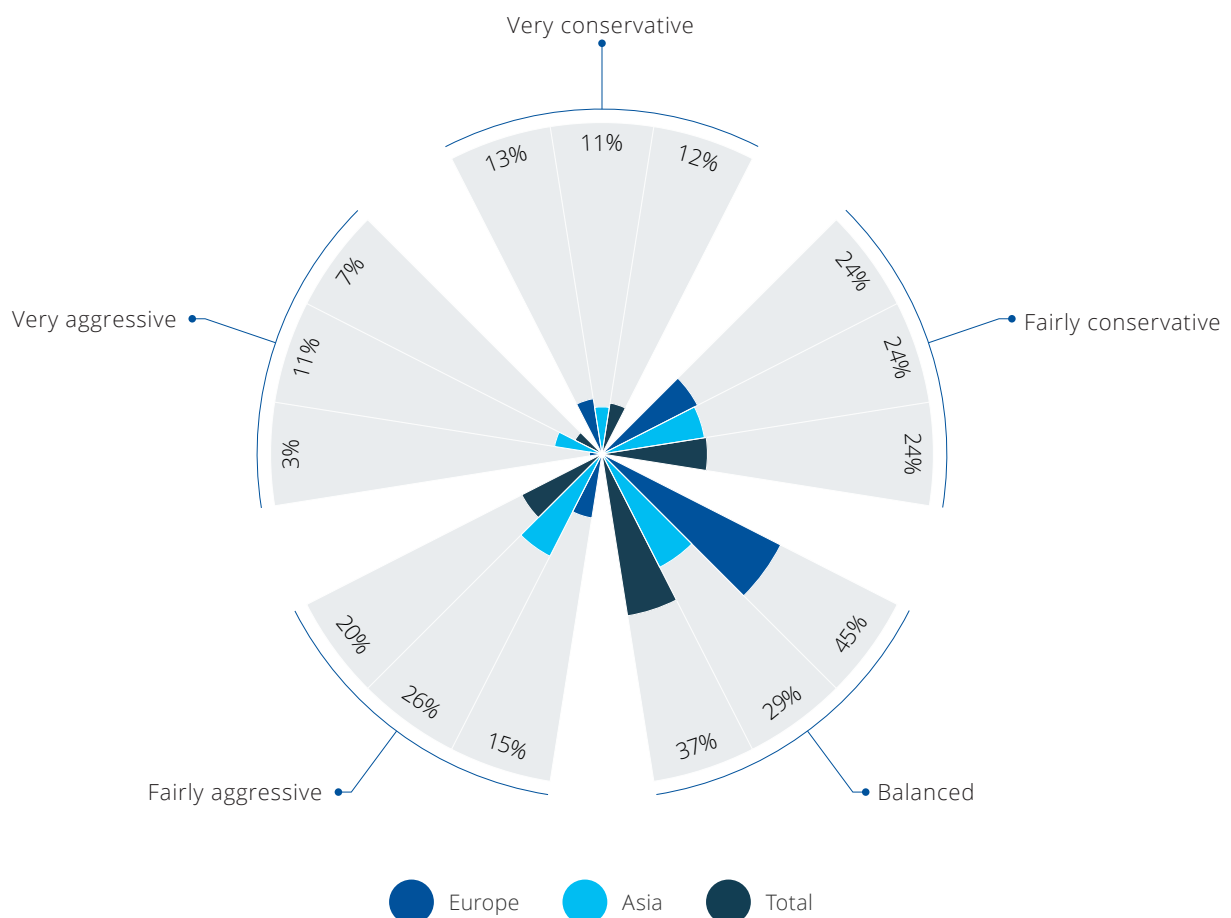
# What is investors' risk approach?

Well over a third of investors describe their investment approach as balanced, mirroring the picture from our 2021 and 2022 surveys. Compared to 2021, there has been a shift of five percentage points from conservative and balanced approaches to fairly or very aggressive approaches. Investors' risk appetite overall appears to be growing, as they realize they need to take higher risks to generate comparable returns in this volatile investment environment.

"Despite recent rate hikes, the low interest rate environment has remained a dominant theme in financial markets over the past few years. As a result, investors are accepting more risk in the hope of higher returns," Martin Greweldinger said.

"The advancements in technology have democratized the investment landscape, providing mass-affluent and even retail investors with easier access to a diverse range of sophisticated and potentially higher-risk investment opportunities. Moreover, the introduction of more interactive portfolio modelling, visualization and simulations has facilitated a deeper understanding of the associated risks. Thus, the improved availability of market information and higher-risk financial products as well as the ease of trading have contributed to a heightened risk appetite among investors."

**Illustration 3: How would you describe your approach when making investments?**



# What do people invest in?

Equities remain the most popular asset class overall, with 55% of respondents saying they hold equities. The total figure is largely in line with our 2021 (50%) and 2022 (55%) survey findings. Equities are a particular favourite in the three Asian markets surveyed by us. At the same time, we see a trend towards alternative investments among investors. As an example, cryptocurrencies have continued to gain popularity, notably in Europe where 42% of investors hold crypto (up from 31% in 2021), despite recent turbulence. 84% of respondents who currently invest in crypto do so via a crypto exchange and only 50% via their bank or wealth manager.

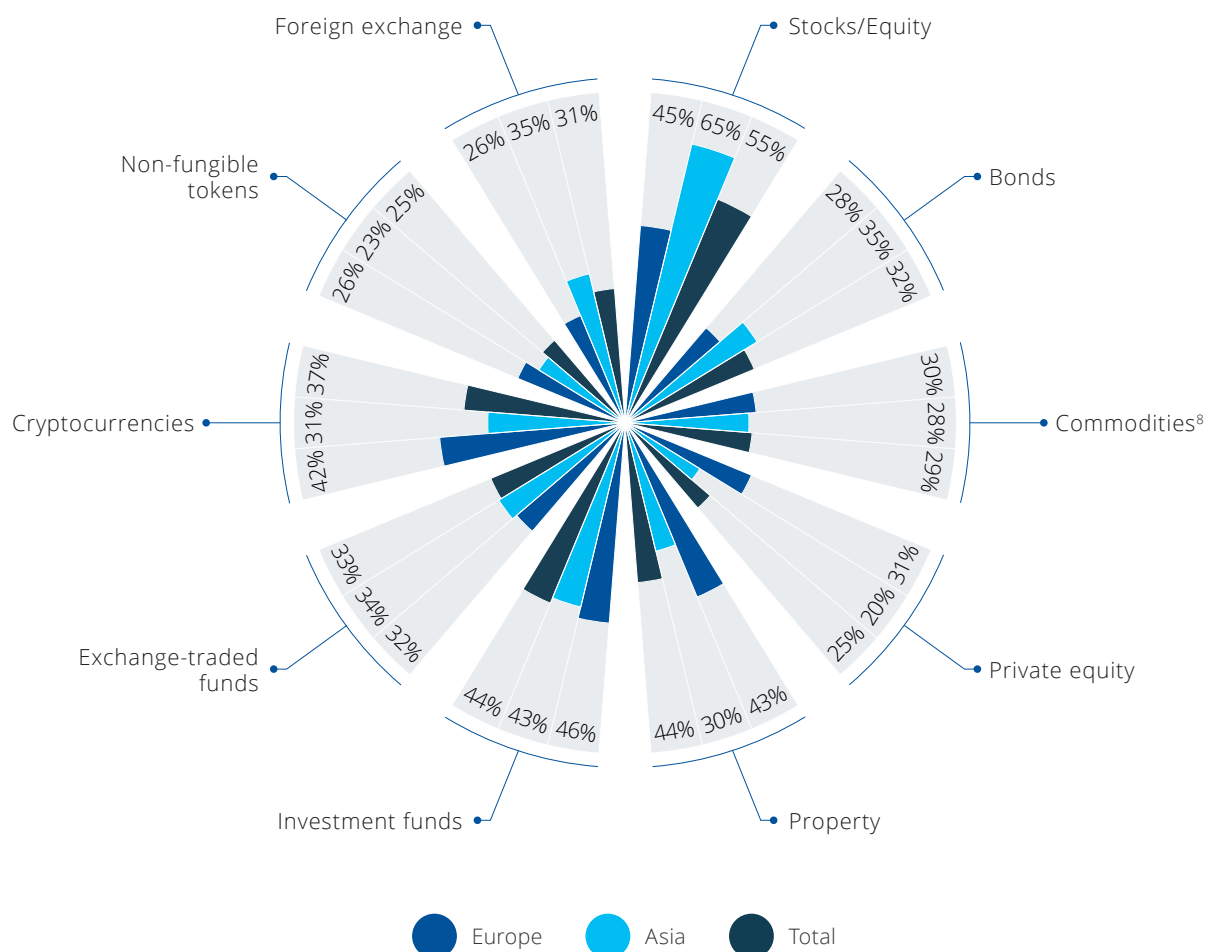
It is important to mention that a significant majority of individuals (92%) who do not currently have crypto holdings or solely invest in crypto through crypto exchanges or neobanks would consider investing in crypto

if their traditional financial services provider offered them the opportunity to do so.

"The unabated appetite for crypto investing shows that investors continue to see it as a legitimate investment, despite recent headlines about exchange breakdowns and regulatory concerns," Martin Greweldinger explained.

"Investors remain drawn to the potential returns and diversification benefits that cryptocurrencies offer. At Avaloq, we firmly believe that wealth managers have a clear advantage in offering clients reliable and trustworthy crypto solutions. With their strong track record in asset custody, wealth managers can provide their clients with secure and regulated access to the world of cryptocurrencies, helping them navigate this complex and rapidly evolving landscape with confidence."

**Illustration 4: To the best of your knowledge, into which of the following assets do you invest?**





# Which sources do investors use?

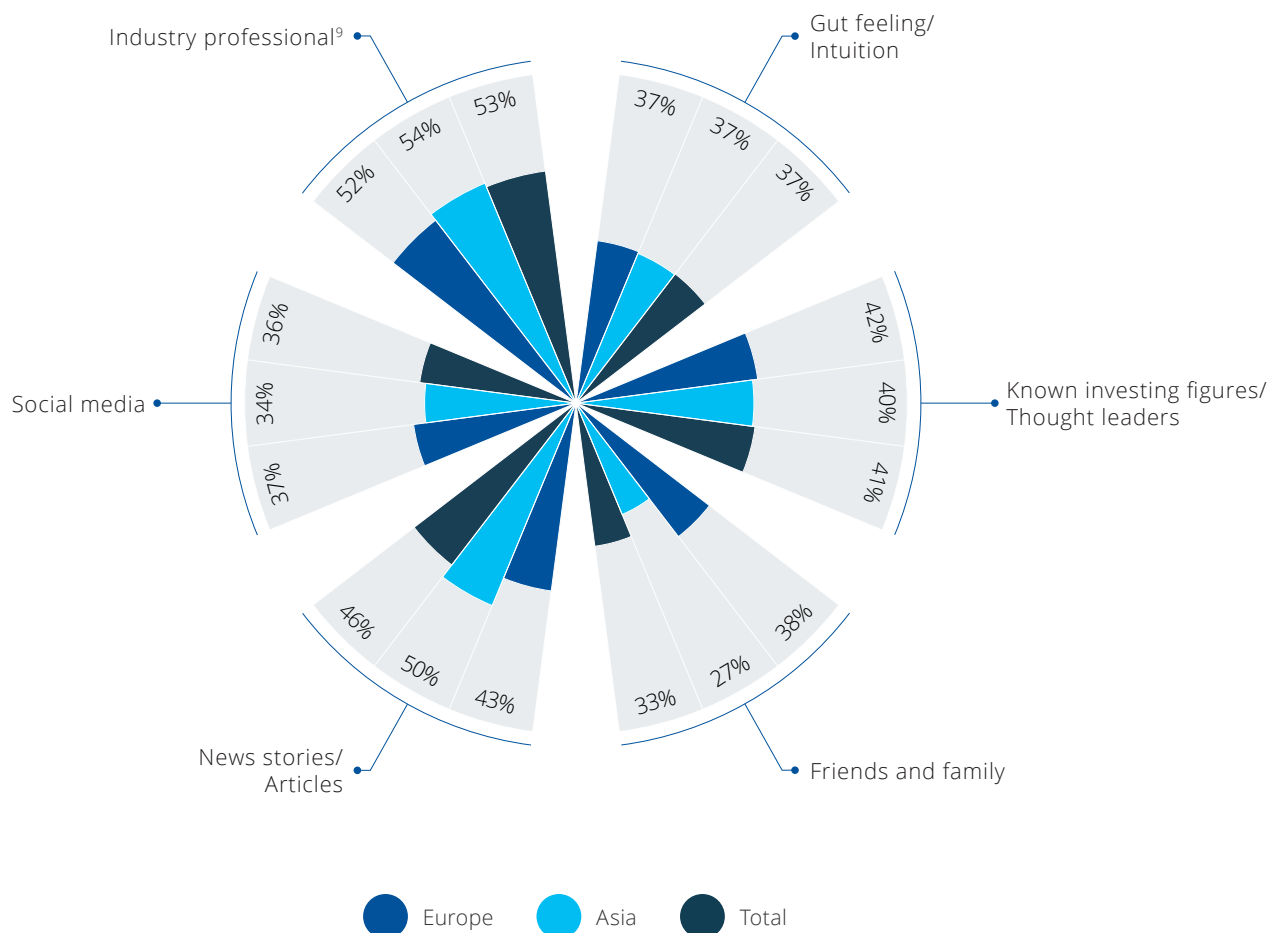
The majority of investors we surveyed consult an industry professional, such as a financial adviser, to make decisions on how or what to invest in. Swiss investors are most likely to rely on a professional. Investors in Germany and Japan rely on news stories and articles as their main source of information. In the overall sample, news stories are the second most popular source of information. Among investors who rely on the news to make their decisions, 36% state that they struggle to identify trustworthy sources. Additionally, the sheer volume of information available (30%) and lack of time (25%) were also cited as major challenges.

"It is becoming increasingly important for financial advisers to give clients timely, personalized news and advice,

especially as clients struggle to identify trustworthy sources and are bombarded with too much information online," Martin Greweldinger explained.

"In the fast-paced world of finance, investors need to feel confident that they are making informed decisions based on the latest information and insights. By delivering customized news and advice, advisers can demonstrate that they understand their clients' unique financial goals and risk tolerances, and that they are committed to helping them achieve success. This level of personalized service also helps build trust, which is essential for long-term client retention and satisfaction."

**Illustration 5: Which sources of information do you consult when deciding how/what to invest in?**



# Contact and key contributor

Should you have any questions or require further clarification about this report or the insights we have shared, please do not hesitate to get in touch. We value your feedback. You can reach us through our website at [www.avalq.com/contact-us](https://www.avalq.com/contact-us).



**Martin Greweldinger**  
Chief Executive Officer  
Avaloq

Martin Greweldinger was appointed as Avaloq's Chief Executive Officer in April 2024, after serving as Co-CEO since April 2021. He joined the company as Chief Product Officer in 2019, bringing more than 20 years of experience in the financial industry with international companies such as Boston Consulting Group, Credit Suisse and Commerzbank. Martin Greweldinger holds an MBA from IE Business School and a bachelor's degree in computer science from the Frankfurt School of Finance and Management.

---







## References

1. Germany, Switzerland and the UK ("Europe" in this article); Hong Kong, Japan and Singapore ("Asia" in this article). The "About this research" section gives additional details about the survey.
2. [The Wall Street Journal](#), "Investors Turn to Dividend Funds as They Search for Income"; 3 September 2021.  
[Schroders](#), "The compelling case for dividend investing in Asia"; 16 February 2023.
3. Both for personal and investment purposes
4. E.g. healthcare or housing for elderly parents
5. E.g. children's or grandchildren's education
6. Response: "I work with a professional, such as a financial adviser, investment adviser, but have handed over full decision-making power (discretionary portfolio management)."
7. Response: "I work with a professional, such as a financial adviser, investment adviser and receive advisor services."
8. Metals, energy resources, agricultural goods
9. E.g. financial adviser, investment advise









# Detailed survey data







**Table 1: For which of the following reasons are you investing?**

|   | Additional income | Retirement income | Property | Future personal health care costs | Costs of older generations | Costs of younger generations | Entrepreneurial activities | Charitable donations/ Societal good |
|---|-------------------|-------------------|----------|-----------------------------------|----------------------------|------------------------------|----------------------------|-------------------------------------|
| <br>Germany        | 49%               | 50%               | 31%      | 24%                               | 22%                        | 25%                          | 23%                        | 13%                                 |
| <br>Switzerland    | 59%               | 32%               | 48%      | 38%                               | 32%                        | 41%                          | 52%                        | 30%                                 |
| <br>United Kingdom | 44%               | 48%               | 26%      | 26%                               | 18%                        | 28%                          | 24%                        | 13%                                 |
| <br>Hong Kong      | 57%               | 38%               | 41%      | 44%                               | 33%                        | 30%                          | 40%                        | 29%                                 |
| <br>Japan          | 45%               | 52%               | 10%      | 22%                               | 30%                        | 13%                          | 8%                         | 6%                                  |
| <br>Singapore      | 44%               | 37%               | 38%      | 35%                               | 33%                        | 39%                          | 38%                        | 26%                                 |
| Overall   | 50%               | 43%               | 33%      | 32%                               | 28%                        | 29%                          | 31%                        | 19%                                 |







**Table 2: Which methods do you use to invest?**

|   | Discretionary portfolio management | Advisory services | Robo-advisory | Online broker | Crowdfunding platforms |
|---|------------------------------------|-------------------|---------------|---------------|------------------------|
| <br>Germany        | 29%                                | 37%               | 15%           | 44%           | 19%                    |
| <br>Switzerland    | 59%                                | 66%               | 39%           | 49%           | 35%                    |
| <br>United Kingdom | 33%                                | 41%               | 13%           | 34%           | 14%                    |
| <br>Hong Kong      | 61%                                | 57%               | 36%           | 35%           | 38%                    |
| <br>Japan          | 22%                                | 40%               | 15%           | 27%           | 9%                     |
| <br>Singapore      | 53%                                | 59%               | 32%           | 36%           | 27%                    |
| Overall   | 43%                                | 50%               | 25%           | 38%           | 24%                    |







**Table 3: How would you describe your approach when making investments?**

|   | Very conservative | Fairly conservative | Balanced | Fairly aggressive | Very aggressive |
|---|-------------------|---------------------|----------|-------------------|-----------------|
| <br>Germany        | 16%               | 26%                 | 47%      | 10%               | 2%              |
| <br>Switzerland    | 6%                | 14%                 | 47%      | 27%               | 6%              |
| <br>United Kingdom | 16%               | 33%                 | 42%      | 8%                | 1%              |
| <br>Hong Kong      | 7%                | 22%                 | 22%      | 35%               | 14%             |
| <br>Japan          | 12%               | 24%                 | 36%      | 23%               | 6%              |
| <br>Singapore      | 14%               | 25%                 | 29%      | 20%               | 12%             |
| Overall   | 12%               | 24%                 | 37%      | 20%               | 7%              |

**Table 4: To the best of your knowledge, into which of the following assets do you invest?**

|   | Stocks/<br>Equity | Bonds | Commodities | Private<br>equity | Property | Investment<br>funds | Exchange-<br>traded<br>funds | Crypto-<br>currencies | Non-<br>fungible<br>tokens | Foreign<br>exchange |
|---|-------------------|-------|-------------|-------------------|----------|---------------------|------------------------------|-----------------------|----------------------------|---------------------|
| <br>Germany        | 44%               | 20%   | 23%         | 28%               | 44%      | 36%                 | 36%                          | 40%                   | 19%                        | 19%                 |
| <br>Switzerland    | 40%               | 30%   | 48%         | 44%               | 47%      | 57%                 | 45%                          | 57%                   | 45%                        | 43%                 |
| <br>United Kingdom | 51%               | 36%   | 18%         | 21%               | 38%      | 43%                 | 16%                          | 29%                   | 15%                        | 16%                 |
| <br>Hong Kong      | 64%               | 41%   | 38%         | 29%               | 34%      | 56%                 | 44%                          | 50%                   | 32%                        | 37%                 |
| <br>Japan          | 76%               | 32%   | 11%         | 5%                | 23%      | 34%                 | 28%                          | 15%                   | 9%                         | 27%                 |
| <br>Singapore      | 55%               | 33%   | 35%         | 26%               | 33%      | 40%                 | 28%                          | 29%                   | 28%                        | 40%                 |
| Overall   | 55%               | 32%   | 29%         | 25%               | 36%      | 44%                 | 33%                          | 37%                   | 25%                        | 31%                 |

**Table 5: Which sources of information do you consult when deciding how/what to invest in?**

|   | Gut feeling/<br>Intuition | Known investing<br>figures/Thought<br>leaders | Friends and family | News stories/<br>Articles | Social media | Industry<br>professional |
|---|---------------------------|---|--------------------|---------------------------|--------------|--------------------------|
| <br>Germany        | 38%                       | 32%   | 37%                | 43%                       | 37%          | 39%                      |
| <br>Switzerland    | 40%                       | 60%   | 43%                | 50%                       | 48%          | 74%                      |
| <br>United Kingdom | 33%                       | 33%   | 35%                | 36%                       | 27%          | 44%                      |
| <br>Hong Kong      | 31%                       | 54%   | 33%                | 48%                       | 46%          | 64%                      |
| <br>Japan          | 41%                       | 17%   | 14%                | 60%                       | 24%          | 41%                      |
| <br>Singapore      | 38%                       | 50%   | 35%                | 40%                       | 33%          | 56%                      |
| Overall   | 37%                       | 41%   | 33%                | 46%                       | 36%          | 53%                      |



# About Avaloq, an NEC company

Avaloq has extensive, global expertise when it comes to the specific business and technology needs of wealth managers and private banks.

To stay at the forefront of innovation, Avaloq spends 25% of its annual revenue on research and development. Its research-led approach enables it to consistently deliver reliable, efficient and scalable products and services that make a difference. Constant innovation in areas such as artificial intelligence, digital assets and natural language processing helps keep clients at the forefront of technology and market trends.

Avaloq's solutions reduce time to market and allow financial service providers to increase efficiency, improve scalability and manage risk. Over 160 banks and wealth managers in 35 countries rely on Avaloq software to manage over CHF 4 trillion in assets under management.

## A powerful offering

With nearly 40 years of experience, Avaloq is an industry-leading provider of wealth management technology and services for financial institutions around the world. Avaloq's open architecture enables the integration of products and services from fintechs and other third parties to meet the increasing demand for a modern wealth management experience from financial institutions and their clients.

Financial institutions around the world use the highly automated [Avaloq Core Platform \(ACP\)](#) to run their day-to-day banking operations. The modular core banking platform covers a comprehensive range of financial products, including digital assets, and its unified data model ensures data integrity and consistency throughout the organization. From trading and payments to treasury and risk, a single integrated platform helps banks and wealth managers to quickly scale their operations.

When combined with highly automated [business process as service \(BPaaS\)](#), the ACP can achieve straight-through processing rates of up to 99% and close to 100% service accuracy. The sophisticated robotics and automation technology underpinning Avaloq's BPaaS offering allows it to automate over 100 processes end-to-end for clients.

In June 2023, Avaloq and BlackRock's Aladdin Wealth business joined forces to deliver an innovative [wealth technology partnership](#). This strategic partnership covers the entire client journey, encompassing onboarding, portfolio construction, client reporting and risk management. Thanks to pre-integration from Aladdin Wealth and Avaloq, wealth managers and private banks will be able to reduce complexity, grow their business and meet client needs, globally.

Avaloq's intuitive [Web and Mobile Banking](#) products are designed to meet the digital expectations of clients from any segment. Features specifically designed for the wealth segment include everything from payments to trading, while banks and wealth managers can direct personalized communications and commercial offers directly to clients on their devices.

[Insight Explorer](#) enables clients to extract value from data and embed analytics throughout their business. Data Foundation provides near-real-time data integration and advanced analytics for wealth management and banking, while Data Flow covers the data propagation, feeding Data Foundation or other data integration solutions.



# Discover the latest industry insights

Visit the [Avaloq Knowledge Hub](#) for in-depth perspectives on wealth management.

## Avaloq in numbers

Leading the way in wealth management technology and services

Avaloq is a global leader in digital banking solutions. Its core banking platform and wealth management technology are delivered through software as a service (SaaS) and on-premises models. Avaloq offers banking operations outsourcing via business process as a service (BPaaS), which gives clients a high degree of automation to boost back-office efficiency. More than 160 banks and wealth managers worldwide trust Avaloq for its innovative products and reliable services. Avaloq is a subsidiary of NEC Corporation, a global leader in the integration of IT and network technologies.

**160+**

clients in  
35 countries

**CHF 4tr**

client assets managed  
with Avaloq software

**19**

offices in  
12 countries