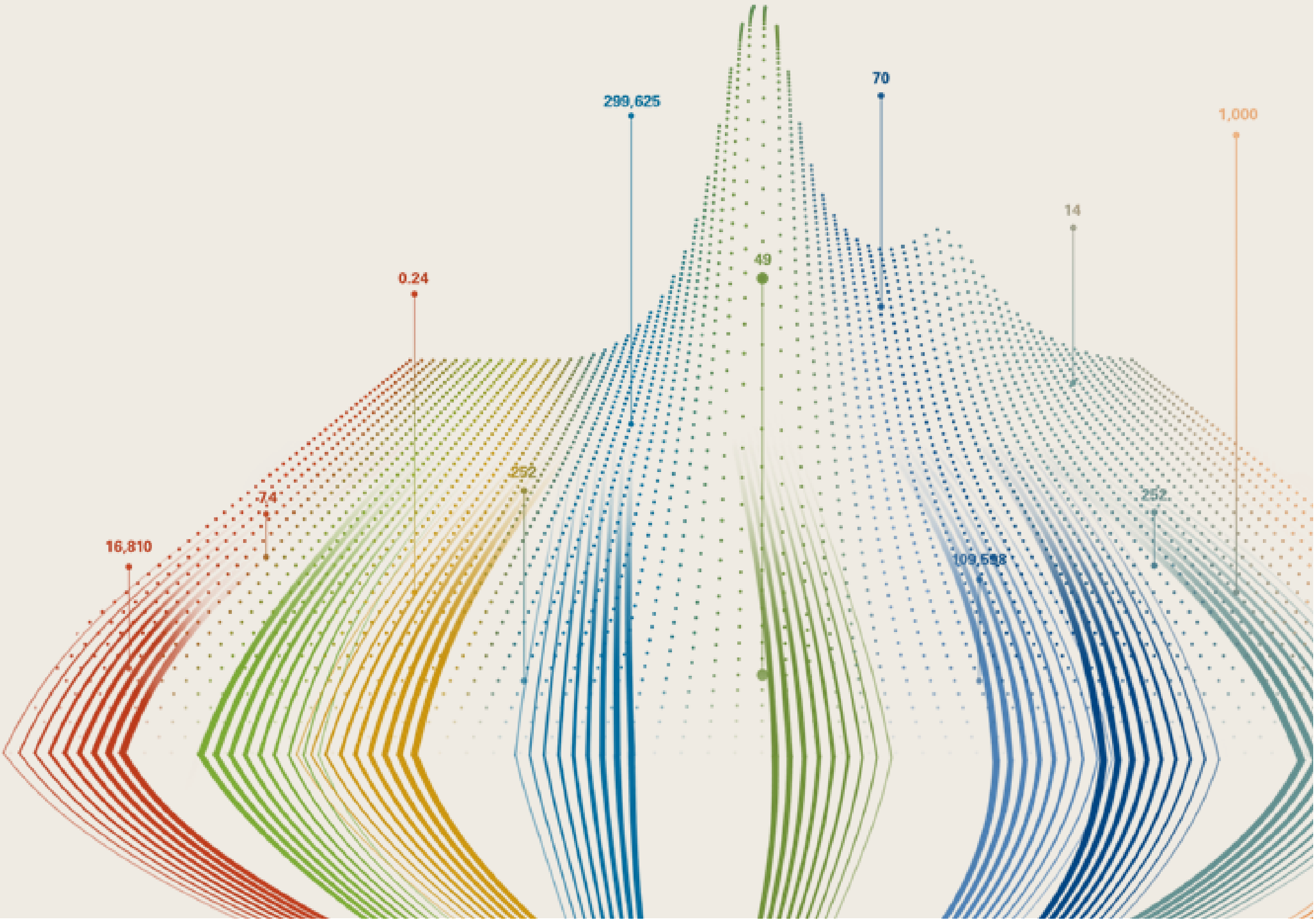
LEGG MASON
GLOBAL ASSET MANAGEMENT

LEGG MASON GLOBAL INVESTMENT SURVEY 2018

RISE OF THE CONVICTION INVESTOR:

Ethics and the search for outperformance driving trends in 2019



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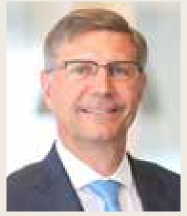


THOMAS K. HOOPS
Head of Business Development

I am pleased to introduce the sixth annual Legg Mason Global Investment Survey, which tracks investor sentiment and behavior across 17 markets worldwide. The independent online survey was conducted by Research Plus Ltd. between July 26 and August 24, 2018.

No matter where Legg Mason does business in the world, our primary focus is on the needs of our clients and delivering investment solutions to them through our nine independent investment managers. Surveys such as these help our teams, and our intermediary partners, better understand investor needs and guide our thinking on how to serve those needs.

The survey looks at how investors have managed their portfolios over the previous 12 months and looks ahead to where they see opportunity in the coming year. The report combines their views on risks and opportunities; environmental, social and governance (ESG); the effect of technology; and the still-important role of investment advice with insight from our nine investment managers and business heads.

We spoke to 16,810 people who plan to invest at least €10,000 or the local equivalent globally and USD 50,000 in the U.S. in the next 12 months and who have made changes to their portfolios within the last five years.

While there are some interesting facts around investors in each of the 17 countries, for this report we have focused on aggregated global responses among the different types of investors we surveyed.

At Legg Mason, we take pride in making the connections that matter – connecting our investment managers to our clients and our clients to each other. Part of the way in which we do this is by identifying trends that are of topical interest. We hope you enjoy the insights provided in the report.

GLOBAL INVESTOR SENTIMENT

Legg Mason Global Asset Management commissioned a comprehensive global survey to track investment and behaviour trends over the past year. The survey also looks at the opportunities investors see in the coming 12 months.

Despite a year of turbulence and tirade, in which the power of Twitter was tested as a tool for international relations, a means to communicate M&A intent and a mass communications medium to feed news and views in real-time into the hands of billions, investors have kept a cool head. They recognize that the investment horizon is clouded with threats and uncertainty, but they recognize the opportunity that a balanced portfolio offers.

Taking a one-size-fits-all approach to investing is not an option. Investors have rebalanced their portfolios, reducing exposure to cash and fixed income and embracing equities, alternatives and even bitcoin as they seek higher yielding returns and income in fluctuating times.

Today's investor is self-confident, conviction-led and increasingly ethical. Corporate social responsibility and sustainability are influencing investment decisions as much as they are impacting shopping patterns and consumption choices.

Investment decisions are also being heavily influenced by the distinct tastes of younger investors.

After years of hearing about Baby Boomers versus Millennials and the plight of the younger generation, Millennials are flexing their muscles. Their approaches to investing are different than those of their parents. They are more willing to embrace risk and use a financial advisor than the Baby Boomer generation, are open to alternative assets and are led and influenced by their ethics. These new investors are having a big impact and will soon be followed by the even more diverse Generation Z as they come of age.

The influence of younger investors is inevitably being felt in the digitization of investments. Two-fifths (41%) of Millennials claim they understand crypto-currencies, compared to just 18% of Baby Boomers, with more than one in four (28%) Millennials feeling that crypto-currencies are one of the best ways to invest.

While Baby Boomers may not be adopting crypto-currency in the same way as Millennials, robo-advice is coming of age. More than one in three (37%) investors are looking to increase investments managed by robo-advisors in the coming five years. While we are still some way away from full service automated robo advice, investors are looking for the same level of convenience in their investments as they expect in other parts of their lives.

Despite this, the client and human advisor relationship remains king. Investors want to discuss their options with an expert, and more than half would be nervous to invest if there wasn't also a human advice option. However, less than half say they actually often/always use information from a financial advisor when making decisions about their investments. But those who do tend to display higher degrees of confidence in their investment choices. The internet remains the leading source of investment guidance for those investors who do not rely on a financial advisor.

Ten years on from the global financial crisis, there remains a strong and active legacy. Investors recognize that we live, work and save money in a global economy, with all our fates intertwined. Given this, the majority of the clouds that are darkening the horizon of individual investors are macro-related market risks, such as world economic instability, trade wars and global political instability, inflation and domestic economic uncertainty. That said, investors have demonstrated a high degree of sophistication, with 36% positive about the impact of volatility on their investments (if managed) and a further 37% unconcerned about the impact of volatility. Less than a fifth believe that volatility is a major risk to their investments.

While increasing concern around sustainability has boosted interest in ESG investing, it appears that the trend was pushing on an open door. Today's investor recognizes that we are all in it together, and they see both opportunity and risk in the global approach and are prepared to put their money where their opinions are.

Over three quarters (77%) of investors are saving and investing with specific goals in mind, a trend that is even higher with Millennial investors (80%) or Generation X (80%). Inevitably, these investment goals are both short-term and long-term, depending on the generation and life stage of the individual.

- *Millennials (18-36 years old)*
- *Baby Boomers (51-70 years old)*
- *Generation X (37-50 years old)*
- *Older (71+ years old)*

"DIY investors" are those who don't use a financial advisor.

"Advised investors" are those who use the help of a financial advisor for their investment decisions.

Looking ahead, 58% of investors globally are confident about their investments and about opportunities over the next 12 months. A further 15% said they felt very confident. This is a slight increase from last year, where 12% of investors stated they were very optimistic about their investment performance over the next 12 months.

There's a marked difference in the levels of confidence of investors for different parts of the world, with investors particularly bullish about the prospects for the U.S. in the year ahead. Amid concerns about global instability, trade wars and political turmoil, investors remain confident on the economic outlook and investment opportunities in the U.S.

A RISE IN INVESTOR CONFIDENCE

"Be fearful when others are greedy and greedy when others are fearful" is one of the defining investment axioms, and it seems to have been taken to heart by today's investors.

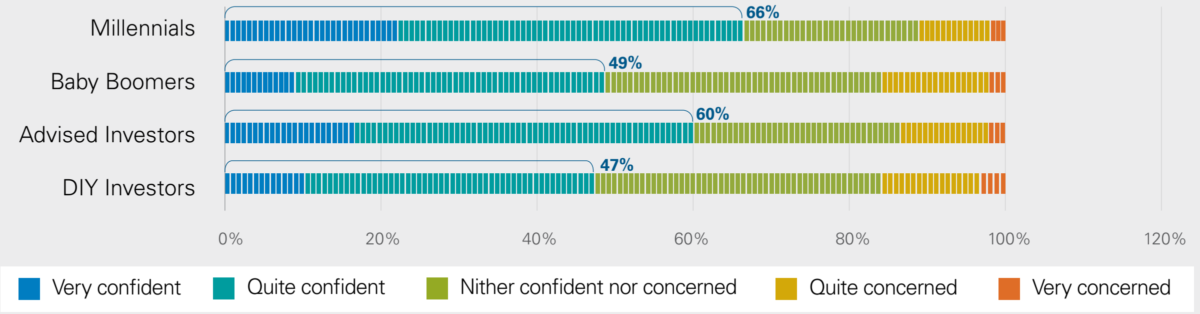
Given the strong performance of stock markets in 2017, it is understandable that global investors feel cautiously optimistic about their investment opportunities during 2018 and beyond.

This is despite threats of a full-scale trade war between the U.S. and China, concerns over the impact of Brexit, political elections with populists taking power, and market volatility that saw 10% wiped off global stock markets in February.

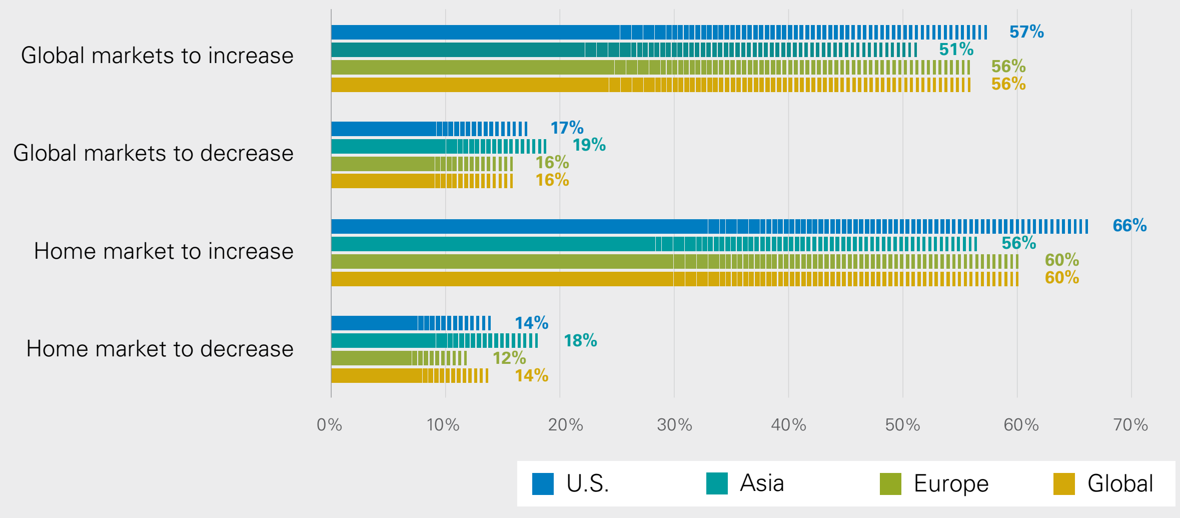
Our 2018 Global Investment Survey shows investors are confident and open to opportunity, with over half (58%) confident and relatively few (14%) concerned about prospects for the year ahead. Millennials (66%) are more bullish than those older age groups like Generation X (57%) or the Baby Boomers (49%).

More than half (56%) of investors say they expect global markets will rise in the coming 12 months, with 60% believing they will see investment growth in their own markets. U.S. investors are most bullish about their home market (66%).

Confidence about investment opportunities in the next 12 months



Expectations about equity markets globally and locally



Insight

Martin Currie: "We are confident too, but risks are building. We should expect lower nominal equity returns in the future and more volatility. Investors should take a longer-term view and not try to trade volatility as it is very, very difficult."

Insight

ClearBridge Investments: "As market cycles aren't the same around the world and different regions peak at different times, it's wise to look for opportunities outside of home markets. We believe that most recent headwinds are transitory and selecting companies in China and other Emerging Markets remains a good way to participate in secular growth trends.

Geopolitical issues in Europe, for example, should be overcome by positive developments on both the consumer and corporate fronts. Wages continue to rise in the eurozone, employment is trending toward post-financial crisis highs and consumer confidence is at record levels. Meanwhile, industrial activity remains healthy, capital investment is improving and corporate balance sheets remain strong. Europe was one of the best-performing regions during the third quarter 2018.- "

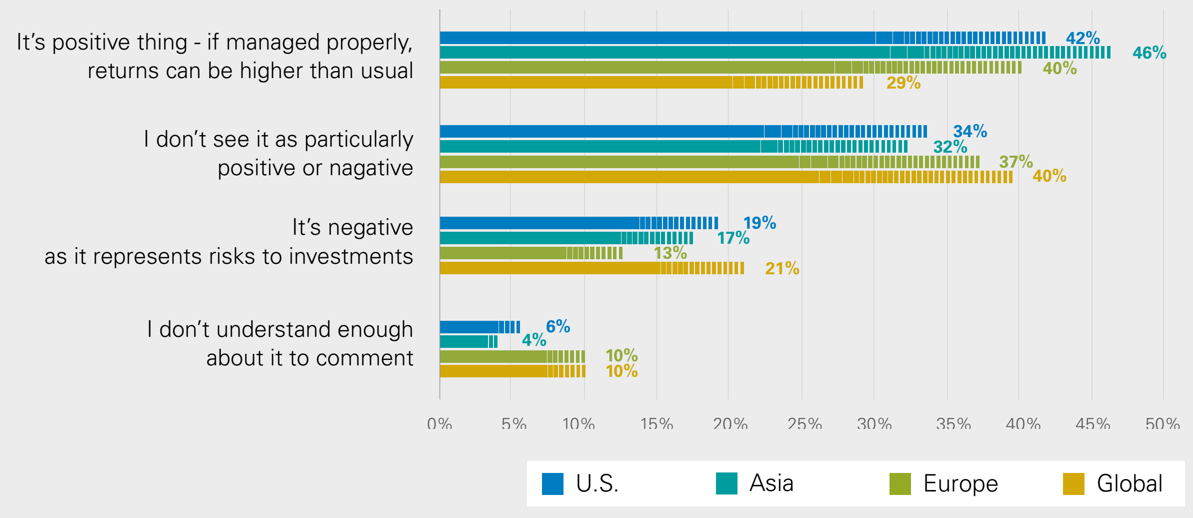
In 2017, returns across the global markets were around 31% in Europe and the Middle East, 26% in developing markets and, 22% in the U.S.* – remarkably strong and consistent given the amount of changing economic and macro news we have seen. Considering this performance, it's not surprising to see that investors are increasing their equity allocations following this type of performance, particularly with an especially strong fourth quarter to end the year in 2017.

This can be partly attributed to "recency bias," the tendency to overweight recently occurring information in decision making. However, the research also suggests that investors are increasingly confident in their own judgment and investment opinions, with many willing to take a contrarian view.

Rather than being fearful of market volatility, many investors see the buying opportunity and say they would look to invest more. Over a third of investors (35%) would invest more in the event of volatility, with only 17% saying market volatility would prompt them to move investments into safe havens like cash. However, a major stock market crash, like the one 10 years ago, would be the most motivating scenario to move money into cash (26%). The effects of the 2008 crisis are still considered to cloud the behavior of half (48%) of investors but less likely for those without children (44%), who are older (aged 55+) (41%) or DIY investors (37%).

* Source: Bloomberg, MSCI and S&P 500TR, as of 12/31/2017

Investors' views about market volatility



Given the upturn in worldwide stock markets in the past year, it is understandable that global investors feel cautiously optimistic about their investment opportunities during the next 12 months.

While investors may feel confident in their own judgment and ability to make investment decisions that allow them to profit from market volatility and corrections, there is a notable difference in levels of confidence among those who take financial advice compared to those who don't.

Three-fifths (60%) of investors who use a financial advisor for most of their decisions felt confident about their investment opportunities in the coming 12 months, compared to 47% of DIY investors who feel the same way.

Global versus local

Investors are not only confident and self-assured in their decision making, they are also adopting a global perspective in their viewpoints.

They cite negative events such as global economic instability (51%), trade wars (46%) and global political instability (46%) as being more crucial to their investment outcomes over inflation (42%), economic instability in their own country (41%) and increasing tax burdens (39%).

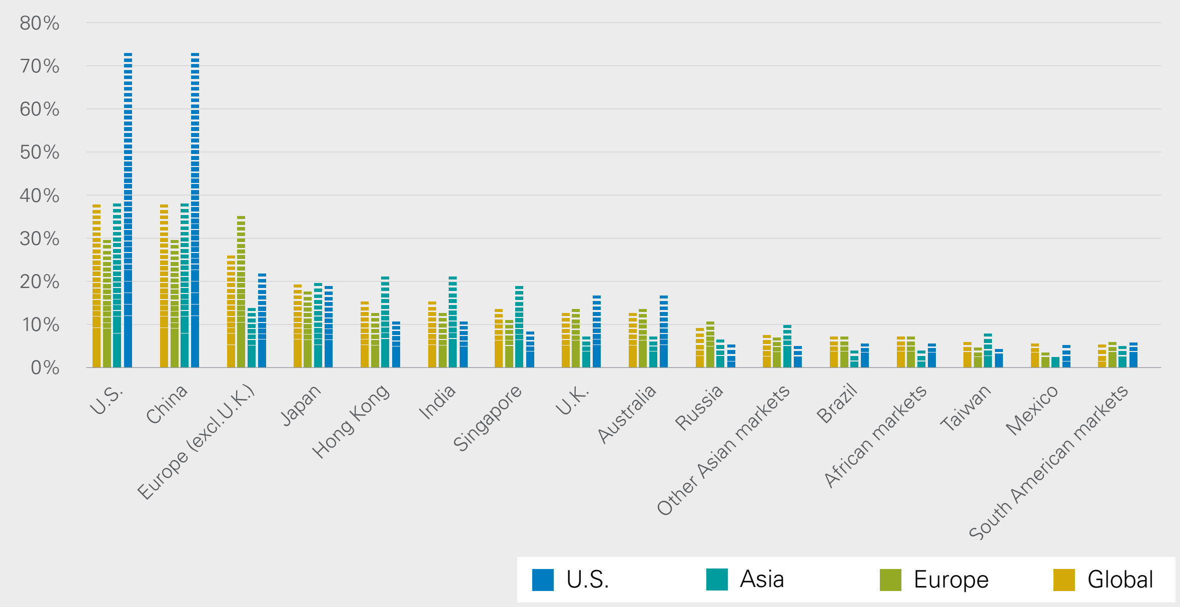
However, while the U.S. and China are engaged in a war of words and tariffs, investors see opportunity in both these global economic leaders.

The U.S. was listed as offering the best investment opportunity by 38% of investors, followed by China (35%), both up on last year by around 4% each. There seems less interest in other emerging markets that are perceived as going through turmoil, whether economic or political.

Insight

QS Investors: "We find many investment opportunities in emerging markets and international equities which offer compelling valuations and portfolio diversification benefits. Earnings growth has peaked in the U.S. in the second quarter of 2018 and the rate of growth is falling from 26% in Q2 year-on-year. Four out of five factors in our tactical model favor international equities, including yield curve steepness, options market data, valuation and volatility. Only price momentum was in favor of U.S. stocks."

Best investment opportunities in the next 12 months



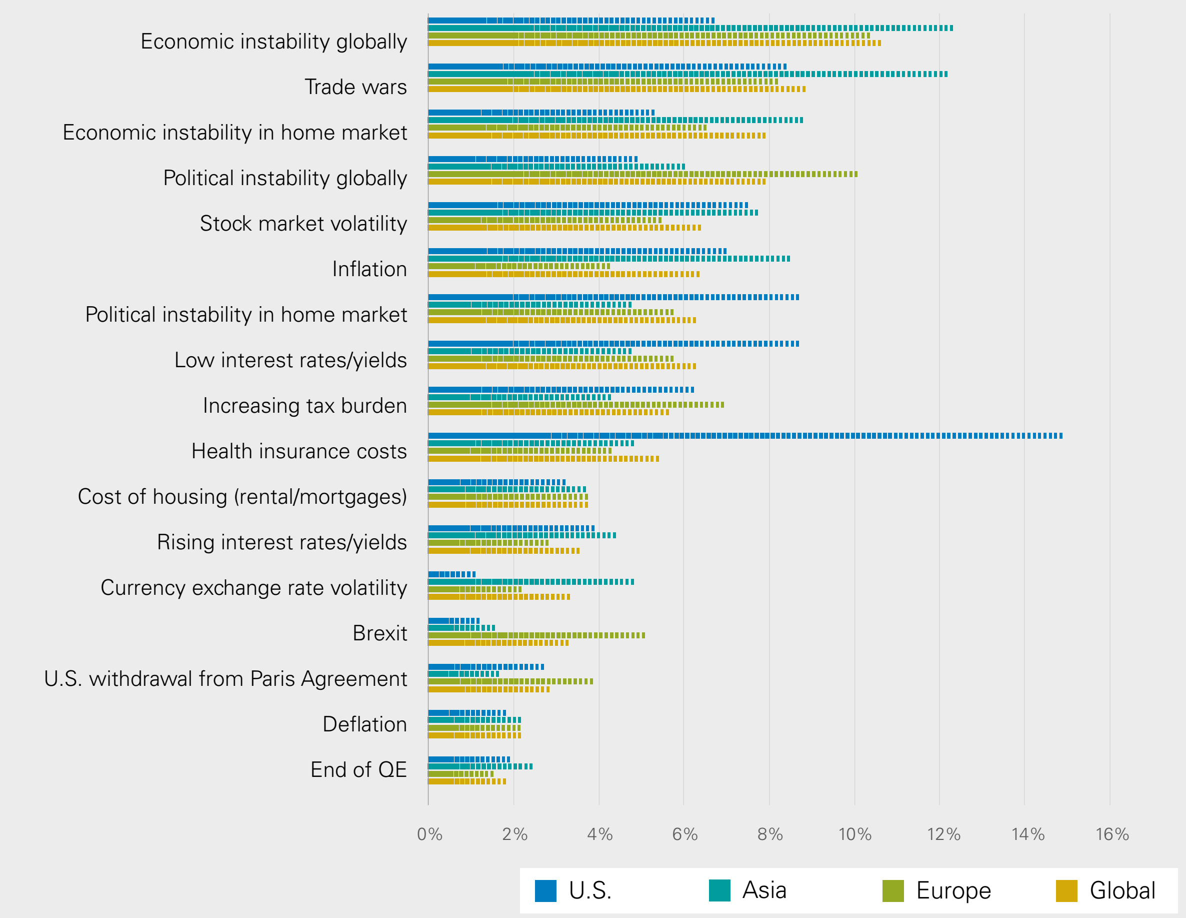
Insight

Martin Currie: "Emerging Markets have endured a tricky spell for 2018. But with U.S. market at peak valuations, global developed equities trade at price-to-book ratios of about 2.8 times while emerging market equities trade at 1.6 times."

ClearBridge Investments: "We are still seeing strong earnings growth in the U.S., with the lingering effects of corporate tax reform and share repurchases continuing to boost the bottom lines of large U.S. companies. However, we worry that as tax benefits fade, and companies begin to face tougher year-on-year comparisons, we could be seeing the peak of earnings for the current cycle. Rather than rely solely on macro effects to drive earnings growth, we are gravitating more to self-help stories. Those are companies which have more control over their growth rates due to leadership positions."

Brandywine Global: "While global growth has diverged somewhat, U.S. economic growth remains solid. Furthermore, we do not anticipate a marked decline in Chinese growth, despite ongoing trade concerns. As the divergence in global growth stabilizes, select emerging markets should benefit, although volatility from rising rates may continue. There are two major risks to this outlook: The potential for a Fed policy error and protectionist threats, like tariffs. Regarding the former, while rate hikes may continue in the near term, we believe aggressive rate normalization is misguided given the current inflation outlook and the added tightening effects stemming from balance sheet reductions. Two of the strongest buy signals for global financial markets would be new Fed rhetoric pointing to a halt in future rate hikes and a show of progress on the U.S.-China trade front."

Biggest investment concerns in the next 12 months



The U.K. has dropped in popularity with only 12% of investors feeling it represents one of the best investment opportunities in the coming 12 months, compared to 24% in 2017-the biggest percentage drop of any country.

For investors, a lack of confidence in the U.K. is almost certain to be Brexit-driven-there is a narrative there where European gains are coming from U.K. losses (i.e, banks moving headquarters and personnel from London to Frankfurt or Paris). The changes in survey results for the U.K. and Europe reflect this narrative.

Indeed, one of the big themes that emerges from the Global Investment Survey in 2018 is the fact that investors are taking a very global view on opportunity. They are looking far beyond individual company performance or the opportunities within individual asset classes and are focusing on the macro-economic trends that drive sectors and countries and dictate their fortunes.

They recognize that the big picture global trends have a greater impact than shorter-term domestic fluctuations or policy changes. Yet their conviction and a long-term approach comes to the fore in dictating how they invest.

Long term versus short term

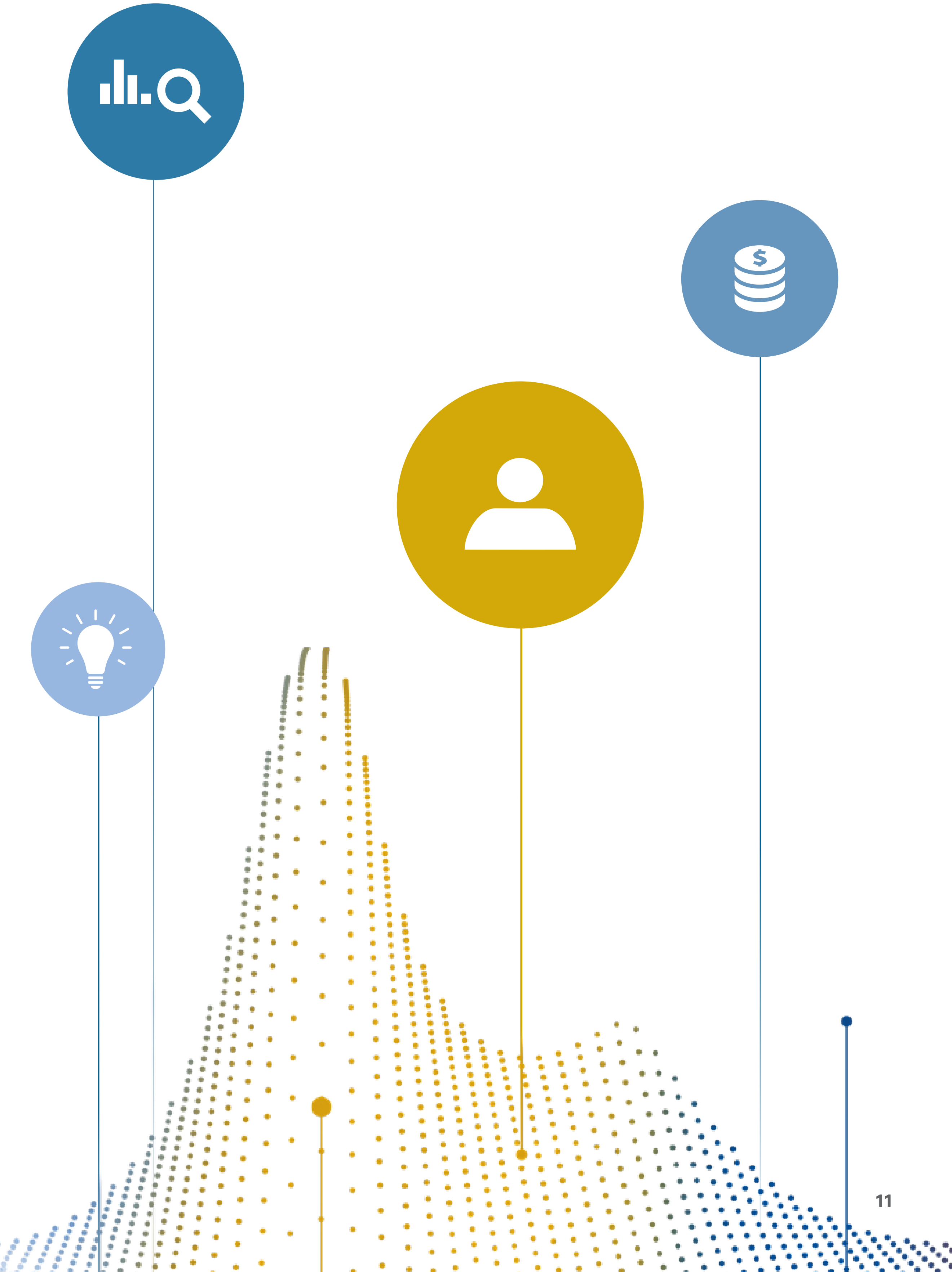
Investors show a conflict between investing for short-and long-term goals. Just 59% of investors globally are confident they will have enough money to enjoy a comfortable life throughout retirement, with one in six (17%) concerned that they might not be able to. When looking at why investors are putting money aside, 57% are looking to build a nest egg for emergencies, with half (50%) of those non-retired looking to ensure they will have a financially comfortable life in retirement.

However just under half (48%) said that having a comfortable life now was a core motivator.
Even for this group of committed investors, there is a disconnect between long- and short-term saving needs and goals.

When asked how they would use a lump sum, 51% of global investors said they would use it for short-term investments versus 42% who said they would use it to top up pensions/retirement savings.

Insight

Legg Mason Global Asset Management:
"As a general rule, people are not saving enough money to cover their retirement and they consistently underestimate the amount of money they will need to fund their lifestyle and health needs in a world of increasing longevity. It is important for investors to understand their personal goals for investing and ensuring that the asset allocation and investment strategies which follow are suitable to deliver the outcomes they need."



INVESTORS ALLOCATING MORE TO EQUITIES

With stock markets being viewed relatively favorably, it is not surprising that across the board, since 2017's study, investors in all markets have increased the proportion of equities that make up their portfolios.

Globally, the allocation to equities has risen to 24% (up from 19% in the previous year) and investors decreased their cash and fixed-income allocations. It seems that investors acted on their predictions from last year, as in our 2017 survey, 34% of investors said that domestic stocks offered the best opportunities in the year ahead.

In most markets surveyed, there was a modest increase toward equities, except for Germany which saw a 17% increase, only matched by Japanese investors. Swedish investors have the highest proportion of equites in their portfolio (33%) while Italy and Brazil have the lowest (18%).

Insight

QS Investors: "Compared to the average global investor portfolio highlighted through the survey results, we have greater weight in equities and fixed income but smaller real estate, gold and cash exposures. Often, we hold 10% in alternatives, similar to the responses at 9%."

ClearBridge Investments: "Equity markets should experience an additional boost from corporate buyback activity over the next few months. Repatriation and robust earnings growth have allowed corporate cash to grow substantially during the year. This cash is being used for a variety of shareholder-friendly activities such as share buybacks, increased dividends, M&A activity and capital expenditures. Another driver of equity momentum relates to the election cycle. Since World War II, the fourth quarter has typically proven to be a great entry point for investors during midterm election years. In fact, the 12-month period following a midterm election has never experienced a negative return and has enjoyed an average one-year return of 15.3%."

It appears that people are recognizing the value of investments (rather than holding too much in cash) on the back of strong equity markets in 2017, which has prompted people to invest.

Insight

QS Investors: "In 2017, returns across global markets were remarkably strong and consistent. Therefore, it's not surprising to see investors increase their equity allocations after an especially strong fourth quarter to end the year. Recency bias partially explains this classic human tendency. Investors can address recency bias by exploring assets and asset classes that have struggled in the past year or so, such as international and emerging equity."

Cash allocations have come down but remain quite high as people search for confidence and security in volatile markets. Cash and cash equivalents still make up the largest proportions of portfolios-some 30% in Europe, 34% in Asia, 27% in Australia and 24% in America. The U.S. has the lowest allocation to cash globally with only 22%.

There's a higher allocation to cash in the U.K. and some Asian markets, such as Hong Kong and Singapore, as people still tend to use it in property transactions. Higher cash allocations among Generation X (31%) compared to Millennials could also be attributed to them saving up for deposits to buy a property.

Insight

QS Investors: "Cash allocations at 30% are still high but trending in the right direction versus last year's 33%. Likely a reaction to very strong 2017 equity markets globally-eople putting more money to work, classically 'chasing returns in the market.'"

There is increasing optimism around international stocks which are now seen as cheaper, relative to the U.S. For instance, the U.K. is on 40year relative valuation lows versus global markets due to uncertainty resulting from Brexit. At the same time European growth has decoupled from the U.S. and leading indicator data is improving.

Investors appear to be taking a pragmatic assessment of risk and when they consider the up and down sides of the situation. The U.S. and China remain in pole position as investment locations, despite the sometime temperamental mood music.

They are focusing on investing with 'safe havens' and are cautious about the growth opportunities in emerging markets (EM). While we see growth opportunities in the emerging markets in the long-term, over a shorter period of time there is pressure on EM stocks, from the risk of U.S. Dollar appreciation, higher U.S. bond yields and trade tariffs. This may slow Chinese GDP and infect EM growth more widely. As a result, safe havens and defensives stocks should do better.

Insight

Martin Currie: "We have moved a little more defensive within equities, reducing cyclicality. Market leadership has swung more to defensive since mid-June. Technology and the so-called Faangs-a group of tech stocks that include Facebook and Google, specifically are also stallingwhich helps value strategies."

QS Investors: "Investors seeking to protect their portfolios from market crashes may consider adding an allocation to defensive equity, which offers exposure to equity markets with lower volatility and drawdown risk."

From a generational point of view, older investors (71+ years) have 31% invested in equities, with Millennials only allocating 20% to stocks. The age-based difference is a bit counterintuitive from a theoretical perspective, where you expect younger investors to hold more equities given their age-based risk tolerance. However, it likely suggests that younger people have a "non-traditional" view on investment allocation. We also see data suggesting that younger investors (Millennials) are less likely to have a steady job, high expenses in raising their children or live on their own versus prior generations, which suggests they may not have much savings to build traditional investment accounts.

Fixed income remains the safe haven asset class for the vast majority of investors globally, as equity valuations have generally risen, and volatility returned sharply to the market in February 2018 after years of being muted. This was followed by global trade concerns; soft economic data from China, Europe and Japan; and fears of contagion in emerging markets emanating from Turkey and Argentina.

However, we have also noted a marked increase in positive sentiment toward bonds globally-both domestic and international-in 2018. This could be as a result of U.S. Treasuries starting to offer higher yields.

Insight

Western Asset Management: "Given this more uncertain investment backdrop, an increase in positive sentiment for the "ballast and income-generating" asset class of bonds is not surprising. Optimism for bonds is increasing, although it's coming up from a very low level. Post financial crisis, developed market government bond yields fell to all-time lows and even into negative territory in many markets around the world. As central banks like the U.S. Federal Reserve have started to remove accommodation, rates have risen and yields on fixed-income assets have become more attractive-in general-han they have been for the past decade."

Global investors currently hold about 17% in fixed income. Italian and Brazilian investors have the highest allocation to fixed income (25% and 26%, respectively).

Insight

QS Investors: "High interest rates in Brazil and inconsistent equity markets help to explain their allocation to bonds. Italy has an extremely high debt issuance per GDP, and the largest holders of this are Italian banks-this exposure makes its way into the hands of Italian retail investors, which helps to explain their high bond exposure."

Weighting of real estate is up 2% in 2017 and represents about 15% of global investors' portfolios. Real estate plays an important part in French and Belgian portfolios (20%) but is not much of a focus in Asia. Generally, the notion that investors are most optimistic about real estate is surprising, though the change versus 2017 does not appear statistically significant.

Insight

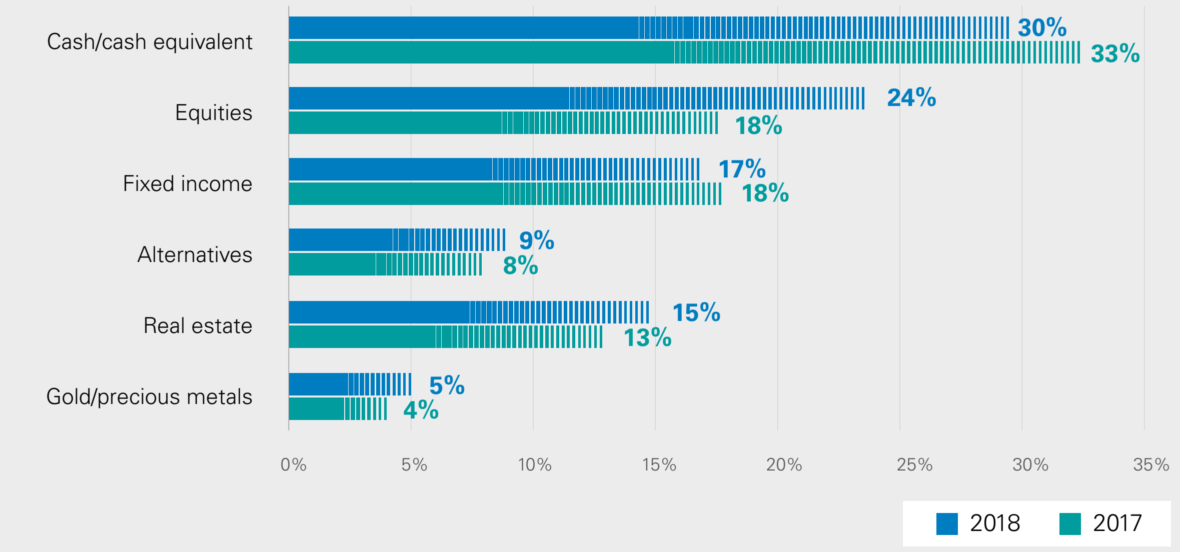
Clarion Partners: "As investors continue to seek alternatives to traditional securities and fixed-income investments, demand for diversified and professionally managed commercial real estate investments is on the rise. The U.S. is the largest real estate market in the world and can provide attractive returns, through both current income and appreciation, and fundamentals across most markets and property sectors remain compelling. In today's low interest rate environment, global investors, particularly European, are increasingly seeking opportunities outside of their home countries. Furthermore, U.S. commercial real estate is benefiting from the preservation and expansion of many key provisions under the country's new tax law, which may create positive consequences for domestic investors."

Advised investors compared to DIY investors (who work without a financial advisor) have a lower proportion of cash (29.1% versus 34.6%) and less in equities (21.8% versus 33.5%). However, advised investors also have a higher allocation to fixed income (18% versus 12%), to real estate (15.5% versus 12.3%), alternatives (9.7% versus 4.6%) and gold (5.9% versus 2.8%).

As expected, on average, people who classified themselves as expert/advanced investors have a more balanced portfolio (26% cash and 26% equities) compared to beginner/rudimentary investors (who have average allocations of 37% cash and 21% equities).

Active (51%) and passive (49%) investments make up an equal proportion of portfolios. This weighting doesn't match global proportions, which is still heavily in favor of active funds, but it is much closer to the split of new net flows, which are much more weighted toward passive (ETFs). Investors are increasingly aware of the cost of active fund management and need to make sure that their manager is delivering performance and value for money.

Asset allocation 2018 versus 2017



This is particularly important in the case of income investing where investors prefer to use active managers to mitigate the chance of income and capital volatility. Passive products will pass through dividend cuts during recessions, whereas an active investment process can help to insulate investors from the effects by carefully selecting the most robust dividend-paying companies.

Desired income greater than reality

The majority (88%) of investors have income -producing assets, with 93% of people who classified themselves as expert/more advanced investors holding bonds as part of their income-generating assets. From these investments, global investors have an expected income objective of 7.4% (average). In reality, they are actually receiving slightly lower returns of 6.1% on average. The question is whether investors stand any chance of generating the types of returns they look for.

Insight

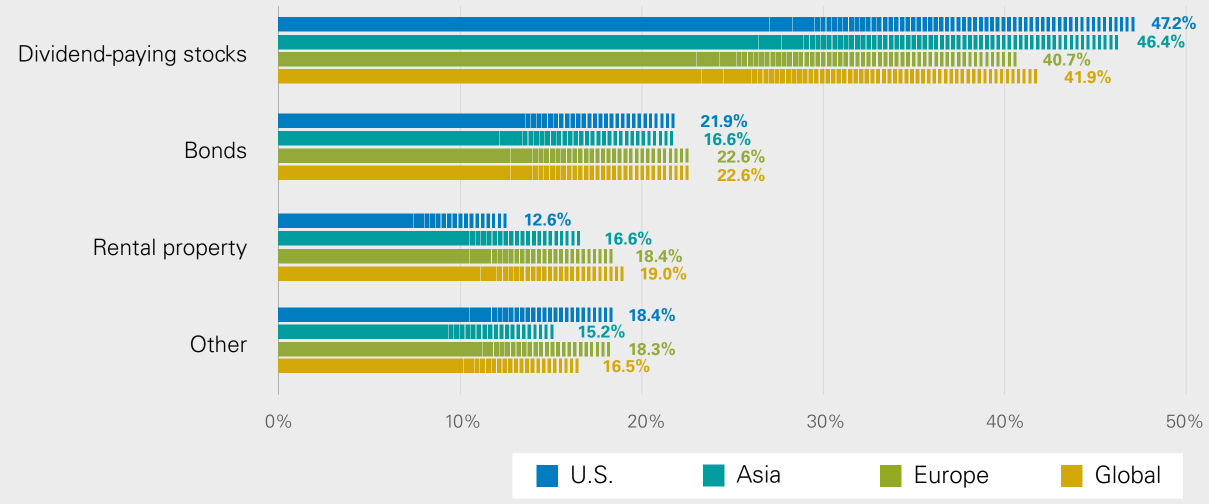
QS Investors: "Bond yields are rising with U.S. Treasury now around 3%, yielding more than S&P 500 equities. But other markets offer higher yields than relevant bond yields, so equities still look attractive in terms of yield level. Global equity dividends look set to grow again for December 2019E by approximately 7%, offering strong inflation protection."

The average model portfolios that investors say they are using to generate these returns consist of 42% in dividend-paying stocks, 23% in bonds and 19% in rental property.

If that asset allocation is reflected in their individual portfolios, then there are likely to be a lot of investors feeling somewhat nervous about the chances of generating the elusive 7.4% income they seek. In fact, when we ask where investors have allocated their money, we see that they are still averaging around 30% of their portfolio in cash, 24% in equities, 17% in fixed income and 15% in real estate.

* Source: FactSet 09.25.2018

Allocation of income generating assets



ALTERNATIVE ASSETS ARE GAINING MOMENTUM

Cash savings are shrinking, equities are growing and alternative investments are showing a sharp spike in popularity as the best opportunities for the next 12 months. Our report, based on the findings of the Global Investment Survey, paints a picture of savers looking widely for returns.

In a market environment of rising equity valuations, market volatility and bond yields, investors are looking for more stable forms of investments.

Could this be a reason optimism around alternatives has doubled in the last 12 months? It could also be a sort of "halo effect" of crypto-currencies and investors not properly differentiating the two assets.

Insight

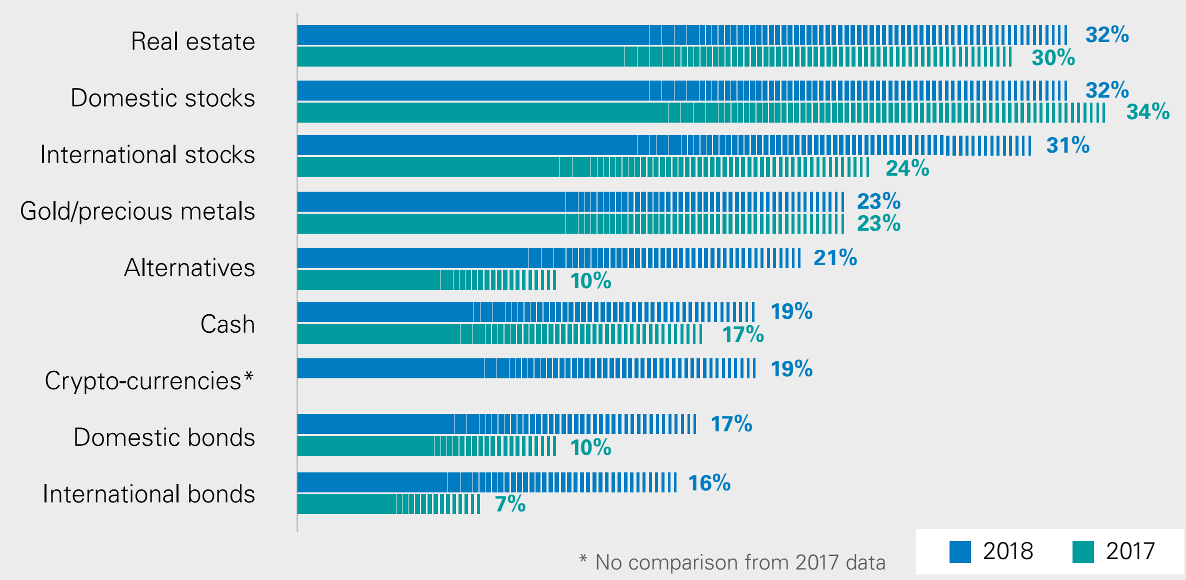
Legg Mason Global Asset Management:
"Optimism for alternatives has increased as investors understand the benefits of diversifying their portfolios away from stocks and bonds. Investors are worried about the high current valuations in equity markets and the prospect of low yields in bond markets is causing them to look at other asset classes such as real estate."

There is clearly a trend toward new asset classes, and nowhere is this more marked than in the search for alternative investments.

Alternative assets (such as hedge funds, managed futures, commodities and derivatives) have shown the largest increase in investors believing they will deliver the best returns. In fact, twice as many investors (21%) globally see alternatives as the asset class with the best investment opportunities in the next 12 months, compared to 2017 (10%).

Real estate remains the asset class that investors believe offers the best opportunities over the next 12 months, closely followed by domestics and international stocks.

Asset classes with the best investment opportunities in the next 12 months



The diversification of portfolios seems to reflect the fact that investors know there are many headwinds on the horizon that are difficult to predict.

Investors we speak to recognize that high current valuations in equity markets are not going to be sustainable into the long term, and the prospect of low yields in bond markets is prompting people to look at a range of other assets, ranging from property to alternatives.

The demographics of investing also have a role to play.

More than twice as many Millennials (25%) are prepared to invest in alternatives compared to 71+ year olds (12%). Our survey shows that Millennial investors are most likely to back their convictions and invest based on their own views of the world. Millennials may also be more comfortable with alternatives than the Baby Boomer generation because they have grown up with these assets being a core part of the investment landscape and have witnessed continued market volatility impacting traditional assets after the Global Financial Crisis.

Insight

Legg Mason Global Asset Management:
"Millennials tend to like investments where they have a closer personal connection such as peer-to-peer lending strategies or even providing equity to start-up companies."

Around 69% of U.S. investors would become an early adopter of an investment strategy if it would provide access to alternative investments. So, is access to those strategies somewhat limited?

In our view, this appetite for alternative assets among the Millennial generation is going to continue. As we see the sharing economy continue to grow and digital disruption shake up entire industry sectors, younger investors see huge opportunities in assets that their parents would not have had the opportunity to consider, let alone the appetite to invest in.

Yet, despite the appetite for alternatives, there seems to be some uncertainty around how to invest in these assets.

Looking for answers

While investors are keen to embrace alternatives, knowing how to identify these assets and gain access to them could be a stumbling block for many.

The availability of institutional quality investment products is still limited as many alternative investment strategies do not easily fit within a fund structure. Investors have traditionally had access to these types of strategies through companies' pension plans, but as these schemes move toward self-directed investments, participants will be looking for other ways to gain access to alternatives, for example through inclusion in target date funds.

However, alternative investments are more readily available to individual investors now than in the past. Increasing the exposure to alternatives will help to diversify their portfolios and enhance their longer-term returns. Results showed that investors who use a financial advisor are already embracing alternatives as part as their future asset allocation.

“GREEN IS THE NEW BLACK” SUSTAINABILITY DRIVES CHOICE

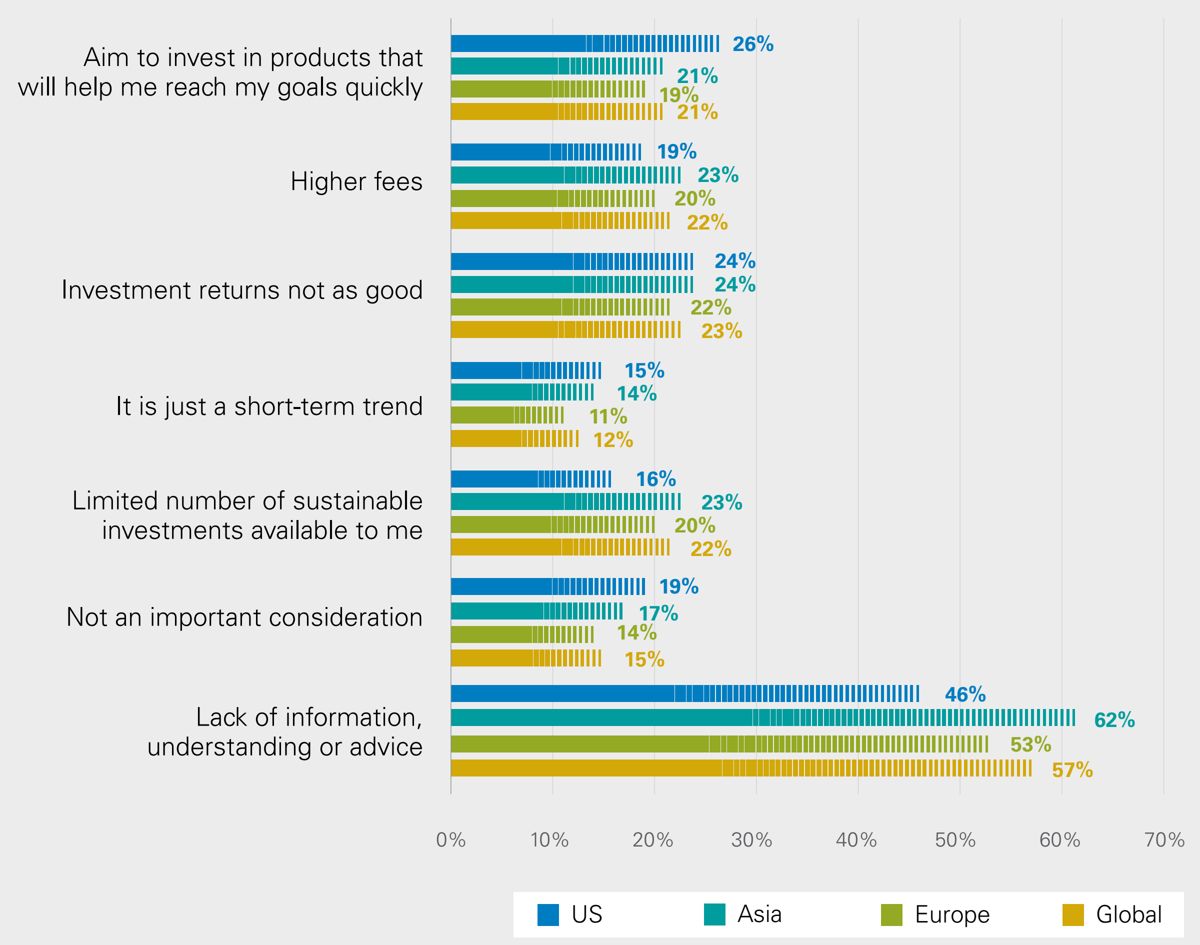
Environmental, social and governance (ESG) investing has gained significant attention in the past 12 months, with almost half (49%) of investors saying they now choose funds or companies to invest in according to ESG considerations. A further 54% say they avoid businesses with controversial track records, and 89% of investors believe that fund managers should actively “police” companies they invest in to ensure they are acting responsibly.

The sustainability effect is coming of age, driven in part by the blue planet effect. The key question facing investors and fund managers is “What is ESG investing?” While investors are enthusiastic about ESG assets, there is considerable confusion about what an ESG investment is and how to identify those that qualify.

Insight

Martin Currie: “There is undoubtedly an impact from the blue planet effect. We have seen this in how investors are now thinking about plastics, for example, and in the heightened awareness of environmental factors.”

Barriers to invest more in ESG



Insight

Western Asset Management: Investors need not sacrifice performance to adopt ESG principles; empirical studies have comprehensively shown a positive linkage between ESG and corporate financial performance. We expect investor adoption of ESG to continue to increase over the coming years, and believe that the application of ESG in particular to the fixed-income asset class will accelerate.

Almost half (45%) say they will increase ESG investments over the next five years. However, more than one in four investors (29%) say a lack of information on sustainable investments prevents them from investing more of their portfolio in these assets, with 23% saying they’re not sure which investments take a sustainable approach.

Insight

Legg Mason Global Asset Management: “The results reflect a view that ESG investing is an exclusionary approach. We don’t see it that way. An integrated approach to ESG allows investors to understand the risks and opportunities presented by ESG factors and provides a holistic view of the companies to invest in rather than limiting returns.

A high 62% of investors indicated that they have changed their view on sustainable investing to some extent post the U.S. withdrawal from the Paris Climate Change Accord. However, in reality, companies (in the U.S.) and many cities and states have taken he lead. That means momentum in the U.S. is being maintained.

Insight

Western Asset Management: ESG factors can affect the creditworthiness of fixed-income issuers’ securities and therefore impact the performance of fixed-income investment portfolios.

Overcoming the barriers

A lack of information, advice and understanding is the main barrier to investing more into ESG for more than half (57%) of investors globally. This is notably higher for Millennials (62%) versus Baby Boomers (53%), advised investors (60%) versus DIY investors (52%) and those with a lower level of investment knowledge. It is also more likely for those in Asia (62%) or in the Americas (62%), rather than Europe (53%).

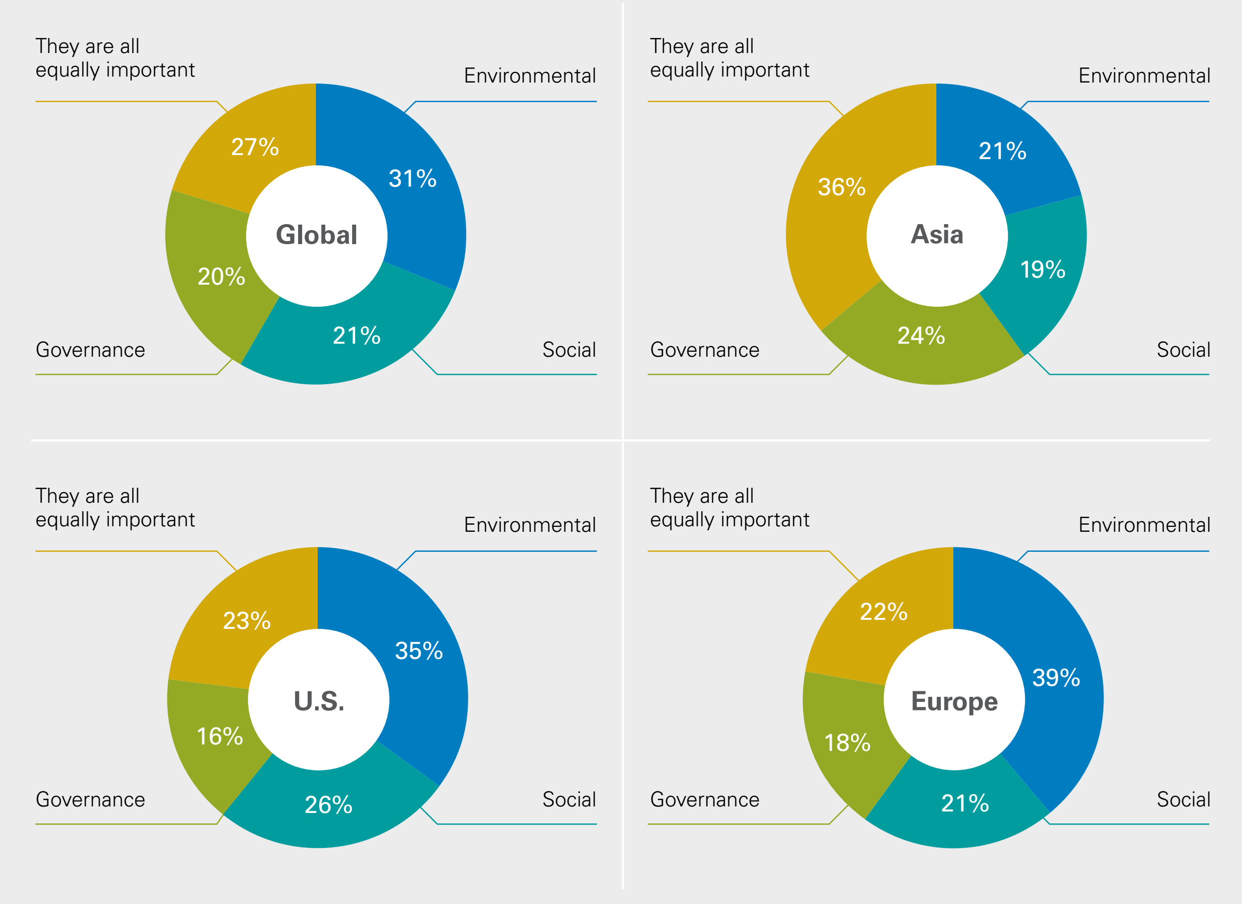
Insight

Western Asset Management: “The application of ESG to equities is more established than for other asset classes such as fixed-income, real estate and private equity. However, historical studies of fixed-income investment results actually show a higher share of positive ESG findings (i.e., better investment performance) than with equities. Additionally, the positive relationship between ESG and financial performance at both the corporate and portfolio levels is particularly strong in emerging markets and North America, perhaps because ESG is in its earlier stages of application and sophistication in these regions.”

This confusion around the different approaches to sustainable investing, and their unclear taxonomy has the potential to cloud investment decision making. In our view investors need more guidance if they are to take a clear-headed view on what they consider when looking at ESG metrics.

ESG investing is rightly growing in prominence, driven not just by investors’ consciences but also by compelling data showing that companies that are well run and focus on ESG behaviors also tend to be those that are the most profitable and sustainable performers. The measure for ESG excellence is far wider than environmental responsibility.

Most important ESG consideration



In addition, when we asked investors which ESG factors they considered to be the most important when selecting funds that are based on sustainable assets, Environmental considerations were cited as the most important (31%), with Social factors chosen by 21% of investors and Governance by 20%, while 27% said the three factors are equally important.

Companies need to take note of the greater scrutiny placed on them by consumers and investors. For instance, investors are most likely to always/often avoid businesses with a controversial track record (54%), to buy from businesses with a good social responsibility record (50%) and to buy from local businesses rather than those that transport over long distances (49%).

Insight

Martin Currie: "In order to understand the companies that you invest in, you need to consider ESG/ sustainability in assessing the risks and opportunities rather than treating it separately. As such we don't label funds as 'ESG' funds/'non-ESG' funds."

Compared to environmental and social factors, governance might seem boring, but in our view, investors need to focus much more on the "G"- after all, those companies that prioritize good governance will likely perform well on all other ESG metrics and against traditional financial performance data. It is crucial that managers actively gauge the quality of corporate management teams throughout the research process.

Insight

Martin Currie: "Governance is a key starting point as it guides how decisions are made, the oversight mechanisms, the culture of the organization and effectively guides how the E and S factors are considered.

Interestingly, investors placed a relatively low emphasis on diversity in the company's workforce, despite the recent spotlight on boardroom diversity as well as the #metoo movement. Diversity is important and can be a key contributor to long-term business success. Are investors at odds with corporate culture?

Insight

Western Asset Management: "Many investment decision makers have strong reasons to increase the representation of women and minorities in senior management roles, given the statistical evidence indicating the value of diversity to corporate performance."

There are some interesting intergenerational trends. For Millennials, responsible investing is more important, as they claim to practice sustainable behaviors more broadly and more often than those who are older, particularly investing in sustainable funds rather than those that don't consider sustainability factors (51% versus 25% for Baby Boomers). They are more likely than Baby Boomers to feel fund managers should consider a company's effect on their local community (32% versus 27%) or diversity of workforce (26% versus 15%).

To keep interest in sustainability, there needs to be knowledge improvements in ESG investing; only 21% of investors feel they "completely understand" what it is, and while this is higher for Millennials (29%) than Baby Boomers (12%), a sizeable knowledge gap still exists across all ages.

Insight

Martin Currie: "Empirical studies show good ESG practices lead to better cost control and stronger profit growth for companies. Stronger shareholder returns on invested capital are also available to those companies that allocate capital sustainably."

Despite investors wanting to know more about the ESG credentials and policies of asset managers, only around 7% of cross-border fund flows over the past year were into funds with a sustainability focus- with a high proportion of this in equity funds.

Looking ahead, this figure is likely to rise, partly reflecting a strengthening of investors, interest in sustainability but mainly due to managers rebadging their funds as "ESG" where ESG factors are included or embedded in the investment process.

MILLENNIAL INVESTORS COMING OF AGE

Demographic tensions between Millennials (18-36 years old) and Baby Boomers (51-70 years old) has become one of the defining social trends of life in the 21st Century. The "generation that had it all" versus "generation snowflake" provides compelling headlines and debate.

However, our research shows that there is a more nuanced dynamic emerging. The relative wealth of the Baby Boomer generation, with pension schemes, homes and saving portfolios, compared to the struggling Millennials does not paint a complete picture.

As Millennials start to build their careers, increase their earning capacity and begin to start inheriting some of the Baby Boomer generation wealth, the financial power of the Millennial generation is becoming clearer.

Millennials are an investment force to be reckoned with and they take a different attitude to investing compared to their parents. They are more optimistic, more willing to embrace risk and open to investing in different asset classes, including alternatives. They are also more idealistic in their approach, embracing ESG assets and considering ethical factors as keenly as they look at returns.

More than anything, our research paints a picture of Millennials as conviction investors, backing their own judgment and values. That said, they still like a cappuccino! Only 43% of Millennial investors would sacrifice their daily bought coffee to invest more money, compared with 34% of Baby Boomers.

Youthful optimism or misplaced confidence…

Millennial investors are upbeat about investment opportunities, with two-thirds (66%) saying they are optimistic compared to 49% of Baby Boomers. They are also willing to back their conviction, with more than two-fifths (42%) of Millennials considering their investment knowledge as expert or advanced compared with 23% of Baby Boomers who would make the same claim. Only 2% of Millennials would admit to being investment novices compared to 5% of Baby Boomers.

Insight

Legg Mason Global Asset Management:
"Millennial investors take a different world view to many Baby Boomers. They have lived through a period of prolonged low growth and market uncertainty, driven by the Global Financial Crisis of 2007, and they do not have the same expectation of investment growth that Baby Boomers will have. While that lack of experience could be behind the optimistic viewpoint that the Millennials have (markets today do indeed look positive compared to ten years ago, but less positive if you have lived through bull runs in the 80s and 90s), it is also a risk for Millennial investors. Their belief that they understand investment markets and have expertise has yet to be tested in a new recession.

Despite the 'generational battle' played out across the media between Baby Boomers and Millennials, the reality is that the Millennials will inherit the Baby Boomer wealth. While health care costs may erode the bounty, Millennials who embrace good investment practices today will be well set to benefit over the long term."

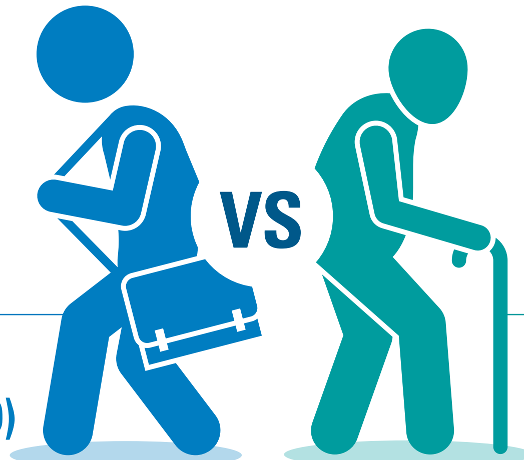
Given their confidence, it is perhaps unsurprising that two-thirds (66%) of Millennial investors think they will have enough money for retirement compared to just over half (53%) of Baby Boomers.

On average, Millennials are more ambitious in terms of the returns they expect on their income-generating investments (8% compared to 6.7% for Baby Boomers).

However, when we look at the returns they are achieving, Millennials average around 6.9% compared to 5.3% for Baby Boomers.

The lesson here is that Millennials are not generating sufficient income and growth from their investments to be confident of securing a comfortable life in retirement. When we look at the asset allocation they are using as a model for their investment portfolios, Millennials are not embracing growth assets enough to justify their confidence for securing a comfortable retirement. Put bluntly, they need to save more and embrace higher-risk asset classes if they are to meet their goals.

The majority of Millennials' and Baby Boomers' assets are in cash or cash equivalents at 29.5% and 30%, respectively. However, only 23% and 20% see cash as being the best investment opportunity over the next 12 months.



MILLENNIALS (18-36 YEARS OLD)		BABY BOOMERS (51-70 YEARS OLD)
66%	Optimistic about investment opportunities	49%
42%	Expert/advanced investment knowledge	23%
29.5%	Cash allocation	30%
21%	Equity allocation	27%
11%	Alternatives allocation	7%
66%	Choose funds according to ESG considerations	32%
51%	Invest in sustainable funds, rather than those that don't consider ESG factors	25%
37%	Use lump sum investment to top up pension/retirement savings	47%
66%	Confident about having enough money for a comfortable life in retirement	53%
66%	Likes to manage all personal finance, including banking and investments, in the same app on smart phone/mobile device	35%

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Appetite for risk

While their current asset allocation doesn't embrace enough risk, their attitude to risk is higher than seen among Baby Boomers. Fifteen percent of Millennials are saying they are more likely to invest more in higher-risk investments, e.g, equities, than Baby Boomers (8%) in the event of a major global stock market crash such as the 2008 financial crisis. That said, almost half (49%) of Millennials and 53% of Baby Boomers agreed that economic instability around the world was a concern to their investments.

Insight

Legg Mason Global Asset Management:
"The desire by Millennials to 'time the market' and invest in downturns versus Baby Boomers, risk-averse attitudes is a sensible precaution. Baby Boomer investment horizons will inevitably be shorter, and de-risking investment strategies will make greater sense than for Millennials, who should be thinking long term and focusing on growth assets."

They also take a long-term view, with 40% of Millennial investors saying they would invest more in reaction to a fall in the value of their investment of 20%, compared to less than a quarter (23%) of Baby Boomers who would favor the same approach.

The only way is ethics

While Millennials have a higher acceptance of risk and take a long-term view, they are also more concerned about the ethics of the investments they make. Two-thirds (66%) of Millennials say they choose funds or companies to invest in according to Environmental, Social or Governance (ESG) considerations, while less than a third (32%) of Baby Boomers make the same claim.

A significant majority (87%) of Millennials, versus 70% of Baby Boomers, say they would be willing to extend the period it would take to achieve their goals in favor of investments that reflect their personal values. More than four-fifths (82%) of Millennials and 57% of Baby Boomers say they would happily pay slightly higher investment fees to be sure their money was only invested in responsible companies.

Overall, 86% of Millennials and 73% of Baby Boomers said that having their money in funds that only invest in responsible companies is important to them.

Insight

Legg Mason Global Asset Management:
"In our view, investing ethically makes solid financial sense. Companies that display high ethical standards and good governance tend to be those that perform best into the long term. Increasing regulation and legal oversight globally of company operations, taxation policies and carbon footprints isn't going to go away. Companies that lead the way are those that will avoid windfall taxes, prosecution or legal restrictions that change their business plans and erode value. Ethics is good business, in every sense of the word."

It's clear that Millennials are more open to sustainable investments with more than half (51%) saying they invest in sustainable investment funds rather than those that don't consider sustainability factors. This compares to a quarter (25%) of Baby Boomers.

A lack of information, advice and general lack of understanding prevents 62% of Millennials and 53% of Baby Boomers from investing sustainably.

Alternatives in favor

Insight

Legg Mason Global Asset Management:
"Millennials are more comfortable with alternatives than the Baby Boomer generation because they have grown up with alternatives being a core part of the investment landscape. The have also the impact that significant market declines rendered on traditional assets after the GFC. They tend to like investments where they have a closer perceived personal connection such as peer-to-peer lending strategies or even equity in start-up companies."

Millennial investors also show a strong willingness to invest in alternative assets. More than two thirds (68%) of Millennial investments are in alternative investments such as hedge funds, managed futures, commodities or derivatives, with an average of 11% of the total assets. Less than a third (32%) of Baby Boomer investments are in similar holdings, with an average of 6.6% of the total assets.

When asked if they were given a lump sum of €50,000 or equivalent/USD 100,000, over a third of Millennials (37%) would top up pension/retirement savings compared to almost half of Baby oomers (47%). While spending on a property would have the same weight as the retirement savings for Millennials, it would have been of much lower importance for Baby Boomers at just 18%.
This is again seen in reasons to invest, where having a financially comfortable life during retirement (asked to those non-retired) would be a trigger for almost half of Millennials (48%) and just over half of Baby Boomers (51%) feeling the same. Paying off or reducing mortgage is seen as much less of a reason to invest for Millennials (20%) and Baby Boomers (13%) alike, as well as getting a deposit to buy their own home with a quarter (25%) for Millennials and a minority of just 6% for Baby Boomers.

The love affair with property assets appears to have passed down to the next generation, with 77% of Millennials saying they would rather buy a property as an investment than save for retirement. This compares to 28% of Baby Boomers who are on the verge of retirement themselves.

Despite this, our study shows that investors of all age groups continue to be overweight in cash and cash-equivalent investments, with 29.5% of Millennial investors and 30% of Baby Boomers invested in these assets.

Digital due diligence…scepticism remains, even with Millennials

Two-thirds (68%) of Millennials and 59% of Baby Boomers strongly or somewhat agree that in general, technology-led innovations aren't something that can be avoided, and the world of investment management should embrace it.

Half of Millennials and a quarter (24%) of Baby Boomers think that robo-advisor investments, automated decisions in reaction to the market, will increase significantly or a little. However, in the U.K., Millennials are cautious about technology with 88% saying they have become more reluctant to invest online because of data scandals, compared to half (52%) of Baby Boomers.

"BODS" AND "BOTS"… THE NEW NORMAL

In many areas of our lives, the question is how machines and automation can replace tasks currently undertaken by humans. Investing is no different. Over recent years, there's been a plethora of new investment platforms and digital services which seek to provide automated, algorithm-driven financial planning services with little to no human supervision.

Typically, these "robo-advisors" aim to combine at least five fields of A.I. research: expert systems, natural language processing, computerized speech recognition, pattern recognition and, of course, machine learning. The reality is somewhat different.

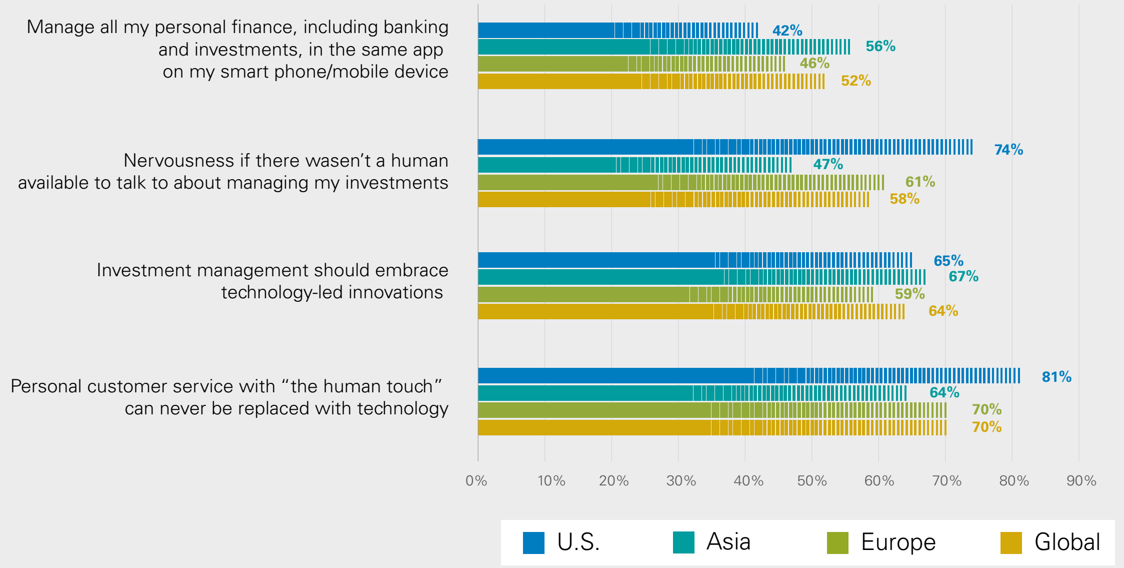
Insight

Legg Mason Global Asset Management:
"There are several shades of 'robo' with most current offers focused on capacity for loss, whereas 'advice' is about helping somebody to achieve an outcome. Currently, there's nothing out there that can do this without human interaction. However, soon we'll see an augmenting of technology with advice."

Currently, robo-advisors are at a relatively simple stage where they segment clients based on attitudes to risk and an understanding of their capacity for loss. While these tend to be automated systems, no personal advice is actually required. This is probably just as well because almost three-quarters (70%) of investors globally believe that personal customer service with the human touch can never be replaced with technology. Similarly, another 58% would feel nervous if there wasn't a human available to talk to about managing their investments.

That said, investors are looking for simplicity and ease in the way they can invest as much as they are in buying clothes online or streaming music. Indeed, over half of investors globally (52%) would like to manage all their personal finances (including banking and investments) in the same app on their smart phone or mobile device.

Attitudes to technology



March of the Millennials

While there was still some resistance to automation in the investing arena, there was also a degree of acceptance for technology and A.I. being utilized to manage financial assets, with almost two thirds (64%) feeling the investment management industry should embrace technology. Half (50%) of Millennials and almost a quarter (24%) of Baby Boomers think they will increase the proportion of investments that they have managed by robo advisors in five years time.

Millennials (68%) were more likely than Baby Boomers (59%) to feel this way, and more likely to want to manage all their finance on the same smart phone/device app (66% versus 35% Baby Boomers). However, Millennials are also more likely to feel financial advisors are being replaced by online tools/apps (61% versus47%).

There was also a knowledge gap about robo-advisors, with only 22% of investors who 'completely understand' them, although this was higher for Millennials (31%) than Baby Boomers (12%), indicating increased familiarity and knowledge supports positivity and ultimately use of such a service.

Tech titans diverge…U.S. versus Japan

Interestingly, those investors most resistant toward technology such as A.I. fully replacing personal customer services are those from the U.S. (81%), compared to just 54% of Japanese investors. This doesn't necessarily reflect technophobia among American investors, far from it, but rather a high degree of dependence by Asian investors in technology in most parts of their lives, particularly financial planning.

Don't blame Rover

Over two–fifths (44%) of investors blame recent volatility in global stock markets on robo-advisors reacting automatically-this increases to 52% for Millennial investors. Looking ahead, a quarter of investors feared the impact that an increasing number of robo-advisors would have on market volatility. However, this was right at the bottom of a long list of investment concerns topped by global economic instability (51%), trade wars (46%) and political instability (46%).

Although "true" robo-advisors are in their infancy, the reality is that half of Millennial age investors have stated that they would increase their investment activity if it was through a robo-advisor, compared to just a quarter (24%) of Baby Boomer age respondents.

Insight

Legg Mason Global Asset Management:
"Digitally enabled advice is coming of age, but it shouldn't be left to decide the underlying asset allocation for the end investor. While investors are understandably aware of and sensitive to the cost of advice and the cost of fund management, low-cost digital solutions won't always mean a financial gain for the investor, particularly over the long term. The decisions shaping the allocation of assets and funds should be based on the time horizon and the risk profile of the investor as well as the growth opportunity of the underlying assets, which in turn helps clients achieve their financial goals."

For now, we can expect the human "bod" to continue to have as important a role in investing as the technological "bot".

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GLOBAL ASSET MANAGEMENT

"AMAZON FUND" INVESTORS YET TO BE CONVINCED

Investing money is dependent upon individuals having trust that the organization with which they intend to invest will do their best to preserve and, ideally, grow their wealth. While most investors read the small print regarding risk and possible returns, they are understandably aggrieved if their desired outcome is not achieved. But are they ready to invest via a non-traditional investment platform…such as an e-tailer?

Ten years on from the Global Financial Crisis, we wanted to determine what investors thought of their financial advisor, whether there was a "trust gap" between investors and investment managers and what we, along with financial intermediaries, can do to narrow this divide.

We are reassured that 43% of investors seek professional support when making an important investment decision. The main driver for increasing trust in an advisor is transparency (no hidden fees or missing information) followed by reputation (professional qualifications and experience) and then performance (strong investment track record).

Unsurprisingly, many of these points are reflected when investors are deciding which investments to make, with cost/fees at the top of the list followed by returns and then performance of the fund manager.

Insight

Legg Mason Global Asset Management:
"Disruptive technology and business models are impacting all sectors, including investment management. They have also proved to be highly successful investments in their own right with brands that have reached across multiple sectors and service lines. However, when a disruptor that has transformed one sector moves into another it doesn't guarantee success, although it certainly guarantees attention and headlines. Our view is that change and new entrants to investment management are inevitable, but long-term performance and asset allocation remain the key metrics for successful investing. It's a view that investors back."

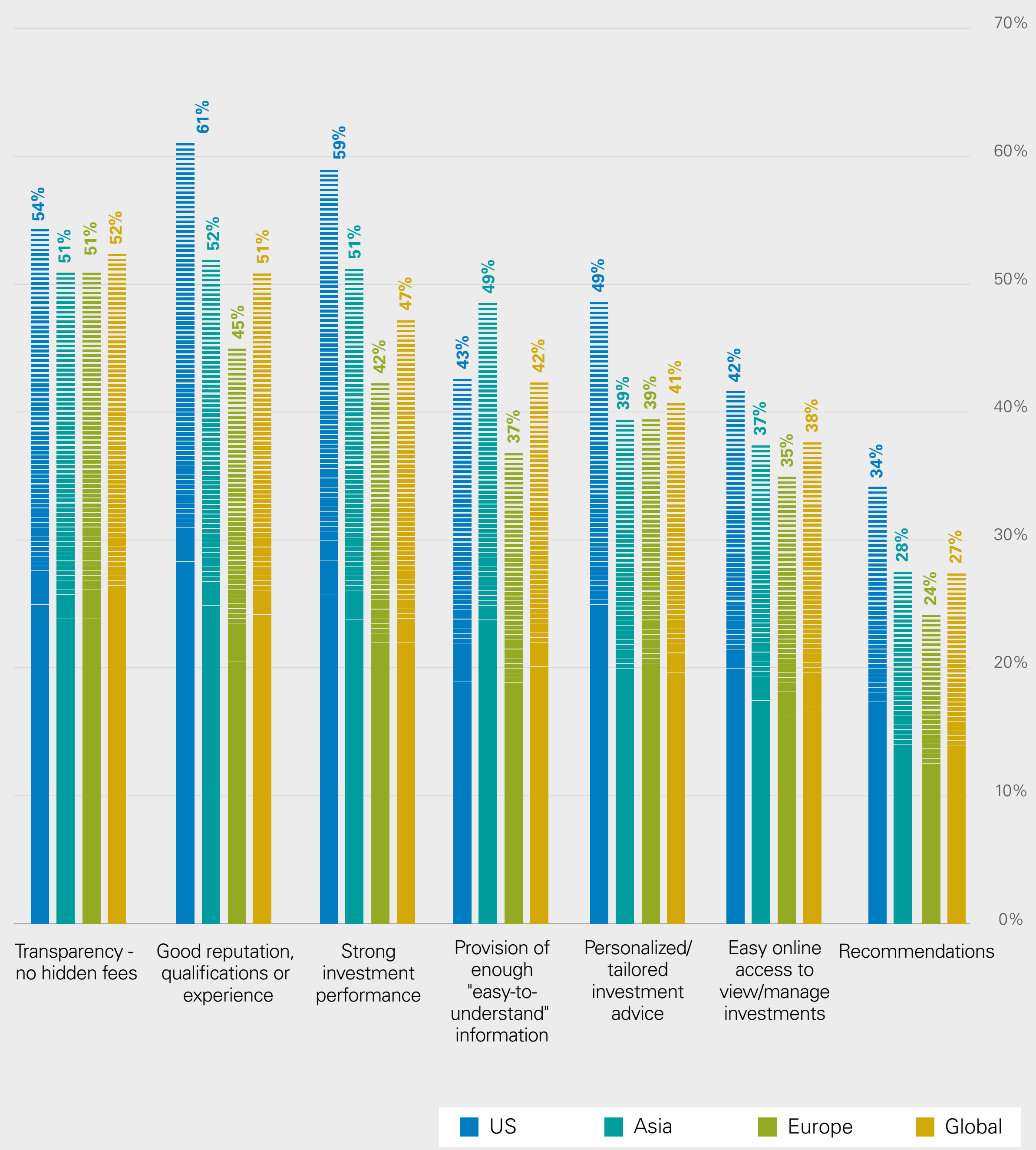
But investors are not yet prepared to give up on their investment manager or bank, with less than half (42%) stating that they would trust the likes of Amazon and eBay if they were to offer funds, ahead of established financial services companies. That said, investors would expect a company like Amazon to be more competitively priced.

Overall, it would appear that investors are looking for managers to manage and banks to bank their money, even if there are lessons that can be learnt from Big Tech in terms of customer engagement, accessibility and service.

It's the economy…

Global economic instability remains the single greatest concern for investors over the next 12 months, increasing from 8% last year to 11% today. This comes ahead of trade wars between countries, economic instability in their own country, political instability around the world, global stock market volatility and inflation.

Criteria to increase or generate trust in a financial advisor



ADVISORS HAVE A POSITIVE IMPACT ON OUTCOMES

The importance of knowledge and professional financial advice is demonstrable, both in terms of tangible results (higher investment returns) and emotion (garners more investor confidence). Not #FAKE NEWS!

Several self-confessed investor knowledge gaps exist, and educational institutions (45%) were identified as those most appropriate to improve financial education. Making informed decisions gives these investors an advantage, especially in times of market volatility. Although they still have concerns, they can be confident about effectively managing their investments and knowing the best course of action for different scenarios.

While self-improved awareness can, to a degree, be augmented by financial advisors or automated investing tools/apps, the most successful investors combine their own personal knowledge with professional advice to generate a significant advantage.

Insight

Legg Mason Global Asset Management:
"Our study shows the benefits of financial advice, as have numerous previous studies, with advised investors seeing around 0.64% higher returns from income-producing assets and lower cash holdings. In our experience, advised investing delivers better results against key goals and often enables investors to hedge more effectively against downside risks. It doesn't preclude investors from acting with conviction and placing money in assets of their own choice, but it is far more likely to mean they focus on a specific goal and investment outcome and manage their investments accordingly. Given the strong focus on retirement saving that the investors in our survey exhibit, this is no bad thing."

The benefit of making advised investment decisions is clear; these investors see average returns of 6.2% from income-producing assets compared to 5.6% for DIY investors.

Advised investors are more invested and have lower cash savings than DIY investors (29% versus 35%) and lower equities allocations (22% versus 33%) but higher allocations when it comes to fixed income (18% versus 12%), real estate (16% versus 12%), alternatives (10% versus 5%) and gold (6% versus 3%).

They also tend to use differentiated asset classes, including alternatives, and they have a more global approach to investing. Their allocations are higher in investment trusts (26% versus 16%) and corporate bonds (22% versus 13%). Moreover, they have higher exposures to pensions (54% versus 41%) and property investments (33% versus 23%).

Minds opened by advice

Our research found that advised investors are more open to new ways of investing, taking into account goals-based investing. In addition, they tend to have long-term goals, often as a result of the risk profiling done by the advisors. Also, adviced investors put a higher emphasis on ESG considerations. As a result, they are twice as likely to choose companies or funds according to ESG considerations (54% versus 26% DIY investors). Four-fifths (80%) of advised investors said they would like to move money into funds that take ESG considerations into account when selecting securities.

Investors working with advisors are also more confident in their approach, more knowledgeable and more excited. They see many opportunities and feel they have more choice through investment options given to them by the advisor. Where DIY investors mainly believe in domestic stocks as the best investment opportunities in the next 12 months, with international stocks second best, advised investors have a stronger belief in real estate, gold, alternatives (almost twice as much as DIY investors), crypto-currencies and fixed income.

Typically, advised investors outsource their asset allocation and de-risk when necessary. Volatility is seen as a positive thing and advised investors agree that, if managed properly, returns can be higher. In times of increased market volatility, advised investors are more likely to take action compared to DIY investors. Nearly half (43%) would de-risk their portfolios by moving money into lower-risk investments or putting it into cash savings.

Advised investors hold twice as much in actively managed mutual funds compared to DIY investors (45% versus 22%). They also have higher allocations in active strategies (52%) compared to DIY investors (46%).

Advised investors are also likely to be more confident in their investments and the opportunities for the next 12 months than DIY investors (60% versus 47%). Consequently, they make fewer changes to their investments; on average, they make changes 2.2 times per year compared to DIY investors, who make changes 2.8 times per year.

In times of financial crisis, the majority of advised investors would adjust their portfolios (89% versus 73% DIY investors). They are most likely to turn to multi-asset strategies (34%) to take actions such as buying property (31%). A quarter (24%) would invest more in equity funds or use target maturity strategies. Also, 21% would invest more in alternatives (versus 9% of DIY investors) and 19% in bonds (versus 11% of DIY investors).

Investors who take financial advice are significantly more confident they will have adequate funds for retirement (61%) compared to just 50% of DIY investors.

Understandably, advised investors are less open to technology as they have a stronger belief in the human touch due to positive experiences with their advisors.

Total fee transparency remains crucial

When considering a potential financial advisor, investors are most concerned by professional qualifications or experience and transparency around fees. Almost three-quarters (71%) of advised investors prefer simplified information in the form of a single cost rather than different fees broken down separately. The average fee they would be willing to pay for an actively managed fund is 1.61%-higher than the average fee that DIY investors would be willing to pay at 0.86%.

Insight

Legg Mason Global Asset Management:
"Transparency on costs and fees is becoming far greater than it has been in the past, and the cost of advice is coming down. While investors are right to look at the fees they pay, they need to balance this against the value of the advice they receive and the returns they are generating."

COUNTRY PROFILES

U.S.

Investor confidence

U.S. investors have high confidence in their own economy to deliver the best investment growth over the next 12 months. Indeed, almost three-quarters (73%) are confident in their own economy, well ahead of China (24%), Europe (excluding the U.K.) (22%), Japan (19%) and the U.K. (16%).

Confidence in the U.S.'s own equity market is higher than confidence in the global market, with 66% of U.S. investors and 57% of global investors who feel they will increase their investments throughout 2019.
This confidence is also demonstrated by the fact that market volatility is most likely to be perceived as positive (42%) or neutral (34%) rather than negative (19%).

Given the levels of confidence that U.S. investors have, it is perhaps unsurprising that they are overweight in equities and underweight in cash compared to the global average identified through our Global Investment Survey.

U.S. investment portfolios consist of equities (28%), cash/cash equivalents (22%), fixed income (21%), real estate property/funds (13%), alternatives (11%) and gold (6%). They are slightly skewed toward active (58%) investments over passive (42%).

Despite the confidence that U.S. investors feel in economic growth and investment opportunities, their confidence wanes considerably when asked if they have personally saved enough for the long term.

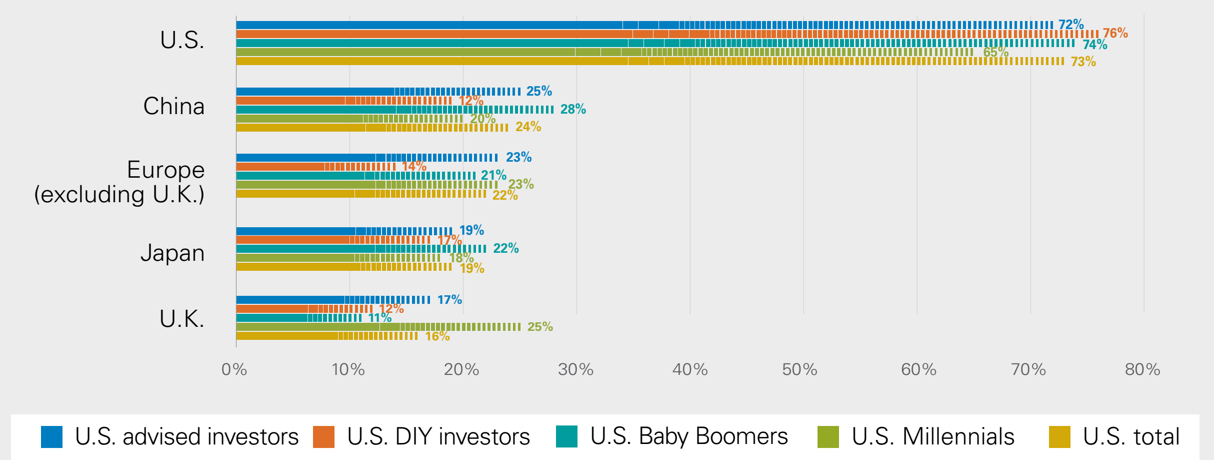
Less than a third (31%) believe they will have enough money saved to enjoy a comfortable life in retirement, with only 32% stating that they can "successfully choose investments that could last into their 80s or 90s". Generational differences were marked, and surprising: 60% of younger Millennials were very confident, but only 17% of Baby Boomers were equally confident.

If they come up short of their retirement funding target, almost half of respondents (43%) reported they or their spouse would work longer and/or participate in the gig economy.

Perhaps unsurprisingly, saving for retirement is seen as a critical priority: 86% responded that their investment goals are focused on long-term returns for retirement income or leaving an inheritance.

When looking more broadly at their investment strategies today, the majority of U.S. investors have income-producing assets and they seek an average return of 8.4% (down 0.2% compared to last year's survey). U.S. investors are earning as much as Investors from Mainland China, who are receiving 7.7% (up 0.8% compared to last year's survey)-a difference of 0.7%. Income-generating portfolios consist of dividend-paying stocks (47%) followed by bonds (22%), rental property (13%) and other assets (18%), on average.

Best opportunities in the next 12 months



Arguably, this suggests that investors in the U.S. need to understand what they are seeking from their investments. While income and growth are not mutually exclusive aims, a more focused investment strategy that understands what goal is being sought is more likely to deliver a better outcome for the investor.

ESG and sustainability

After having been shown a description of ESG investing, 44% of investors strongly agreed that fund managers should be actively involved in "policing" companies they invest in to ensure they act responsibly. They also said they would like to learn more about ESG/sustainable investing (35%); having money in funds that only invest in responsible companies is really important to them (34%); and ESG/sustainability will be less important when markets start to fall (31%), higher than investors in any other country.

For sustainable behavior, around half (52%) of investors say they avoid businesses with a controversial track record, buy from businesses with a good record of social responsibility (51%), buy from local businesses rather than those that transport over long distances (50%) or consider their carbon footprint in transportation/energy decisions (47%). This did not translate to investing behavior, though. Only 36% said they always/often invest in sustainable funds rather than those that don't consider sustainability factors. In fact, this was the least popular option.

A similar proportion (38%) say they choose funds to invest in according to ESG considerations; among those respondents, environmental (35%) factors ranked higher than social (26%) or governance (16%) factors. Just under a quarter (23%) said the three were equally important.

When thinking about the impact of a company's activities, at least three in 10 investors said the most important area a fund manager should consider was the treatment of the company's workforce (40%). That was followed by enforcing an effective anti-corruption or anti-bribery policy (38%), the effect on the local community (32%), the effect on global climate change (31%) and the effect on the local environment (31%).

Investment knowledge and advice

Over half (57%) of U.S. investors use a financial advisor for all or the majority of decisions. One in seven (14%) are considered DIY investors who do not use advisors at all. Advisor trust is generated by a good reputation (61%), strong investment performance (59%) or transparency in fees/information (54%). Some 15% of U.S. investors describe themselves as experts compared to a global average of 7%.

Fund manager view

QS Investors: " The percentage of U.S. investors who consider themselves experts is likely rooted in the strong success of the U.S. stock market in recent years, particularly when compared to those in other parts of the world. When a local market performs very well over a long period of time like the U.S. over the past nine years, investors in that country are more likely to participate in those gains and they are more likely to credit themselves with picking winning investments. In reality, though, most of those gains are due to the positive performance of the entire country's economy and less to an individual's stock- or fund-picking skills. This explains why U.S. investors today feel like they have a high degree of investment expertise compared to those elsewhere in the world."

Almost half (46%) of investors believe their knowledge level is expert/advanced. Nevertheless, almost a fifth (18%) believe they'd need to improve their knowledge to effectively manage their investments. Most investors believe it is important to review their investments regularly (88%). Their goals are primarily focused on long-term returns (86%) and saving/investing for a specific goal (80%), and they are very involved in all decision making (78%).

COUNTRY PROFILES

U.K.

Investor confidence

Despite political and economic uncertainty around Brexit, U.K. investors remain confident in the country's ability to deliver investment returns over the next 12 months. The 52% of U.K. investors are confident their country's equity market will produce increasing returns throughout 2019 is similar to the confidence level of investors globally at 54%. Still, there are significant proportions of investors who believe returns will decrease (20% and 13%, respectively).

U.K. investors believe the best investment opportunities in the next 12 months will be had in the U.K. (38%). That's ahead of the U.S. (30%), China (30%) or Europe (excluding the U.K.) (23%). Despite this level of confidence, U.K. investors are keeping their portfolios strongly diversified.

U.K. investment portfolios consist primarily of cash/cash equivalents (34%) and equities (23%). To a lesser extent, they're in fixed income (16%), real estate property/funds (12%), alternatives (10%) and gold/precious metals (5%). Compared to European investors, those in the U.K. have slightly higher amounts allocated to alternative investments and cash.

U.K. investors believe as the best investment opportunities in the next 12 months are international stocks (29%), real estate (27%), gold/precious metals (25%) and U.K. stocks (24%). Those assets rate ahead of cash (19%), alternatives (18%) and international bonds (17%).

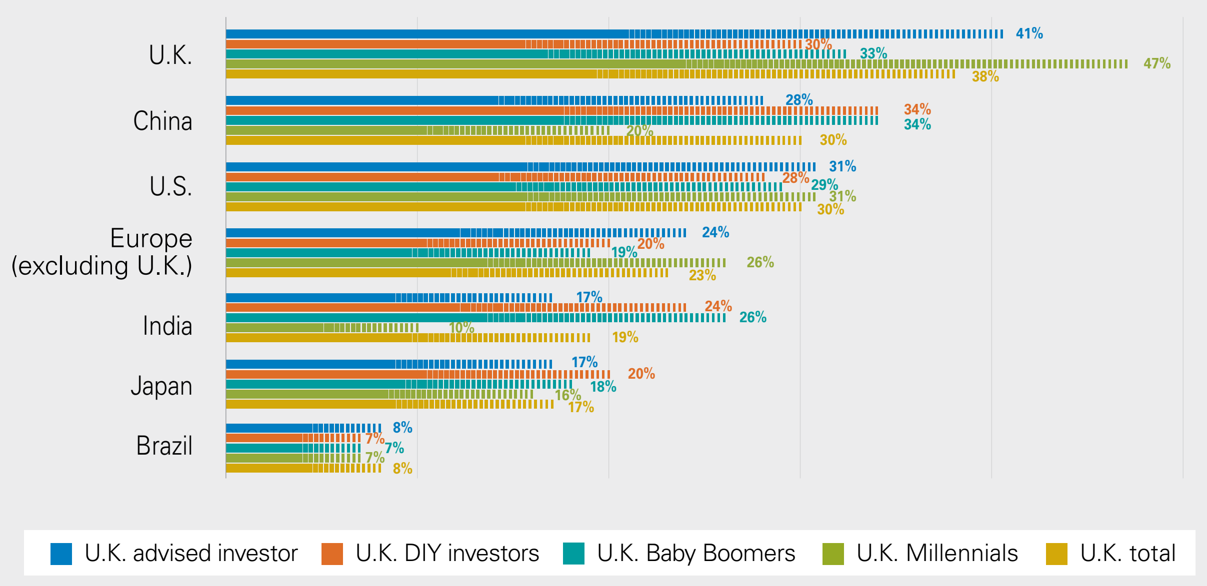
Understandably, and much more than in any other country, U.K. investors are most likely to feel that the biggest threat to their investments is Brexit (50%). Other significant concerns are low interest rates/yields (48%), inflation (43%), world economic instability (42%), their own country's economic instability (41%) and global stock market volatility (39%).

When asked to list the single greatest concern about their investments, these were the top five responses.

Market volatility is equally likely to be perceived as positive (38%) or neutral (37%) rather than negative (18%). One in 10 (7%) said they don't understand enough about it. More than eight in 10 (84% investors have income-producing assets; they seek an average return of 7.2% (up 0.5% compared to last year's survey) but are receiving 6.6% (up 1.1% compared to last year's survey), a deficit of 0.6%. Income-generating portfolios consist of dividend-paying stocks (40%), bonds (25%), rental property (17%) and other assets (18%), on average.

Over the next five years, investors are more likely to increase long-term investments (53%) ahead of regular income-producing investments (40%). Investors are also more likely to increase investments with a sustainable (ESG) approach (40%) compared to robo-advised investments that are based on automated reactions to the markets (34%).

Best opportunities in the next 12 months



ESG and sustainability

Before being given any information about ESG and sustainable investing, those in the U.K. had a fairly low understanding of them. Just over a quarter (26%) said they completely understood these types of investments. More than four in 10 (44%) understood them a little and three in 10 (30%) did not understand them at all.

After having been shown a description of ESG investing, investors strongly agreed that fund managers should be actively involved in "policing" companies they invest in to ensure they act responsibly (41%). U.K. investors said they would like to learn more about ESG/sustainable investing (34%). Further, 32% said having money in funds that only invest in responsible companies is really important to them.

Four in 10 (40%) said they choose funds to invest in according to ESG considerations. Among those who do so, environmental factors (37%) ranked higher than social (24%) or governance (21%) factors. Almost a fifth (18%) said all three were equally important.

When thinking about the impact of a company's activities, over a third of investors said the most important area a fund manager should consider is a company's treatment of its workforce (42%). That's followed by enforcing an effective anti-corruption/anti-bribery policy (34%) and the effect on the local environment (34%).

Just under a fifth (19%) feel that nothing stops them from putting more funds into sustainable investments. Meanwhile, 22% cited a lack of information, the belief that investment returns won't be as good as those from other investments (22%), a lack of advice (21%) and uncertainty over which investments take a sustainable approach (20%).

Investment knowledge and advice

Almost half (46%) of U.K. investors use a financial advisor for all or the majority of decisions, while almost a quarter (23%) are DIY investors who do not use one at all. Advisor trust is generated by a good reputation (53%), transparency in fees/information (49%) and strong investment performance (47%).

More than four in 10 (42%) investors feel their knowledge level is expert/advanced, while one in seven (15%) believe they'd need to improve their knowledge in order to effectively manage their investments. Fifty-seven percent of respondents said they understand low-risk versus high-risk investments but general understanding of other financial terms is lower. Specifically, only 37% are familiar with active versus passive investments 30% with crypto-currencies, 29% with exchange-traded funds (ETFs), 26% with ESG and sustainable investing and 25% with robo-advisors.

The vast majority (86%) of investors say it is important to review their investments regularly (86%) and 83% are very involved in all decision making (83%). In addition, 81% say their goals are primarily focused on long-term returns.

COUNTRY PROFILES
GERMANY

Investor confidence

German investors are confident about the opportunities in the coming 12 months, with 62% being bullish compared to an average of 59% globally. The key issues that concern German investors are macro, with world political instability (51%), trade wars between countries (49%), world economic instability (45%) and low interest rates/yields (43%) topping their list of concerns.

German investors were more pessimistic about market volatility than those in other countries, with 53% seeing it as neutral rather than positive (30%) or negative (14%). Only 4% said they don't understand enough about it.

German investment portfolios consist of cash/cash equivalents (28%), equities (27%), real estate property/funds (16%) and fixed income (15%). Investments in alternatives and gold/precious metals were much lower at 7% and 6%, respectively. There was a near-even split between passive investments (53%) and active investments (47%).

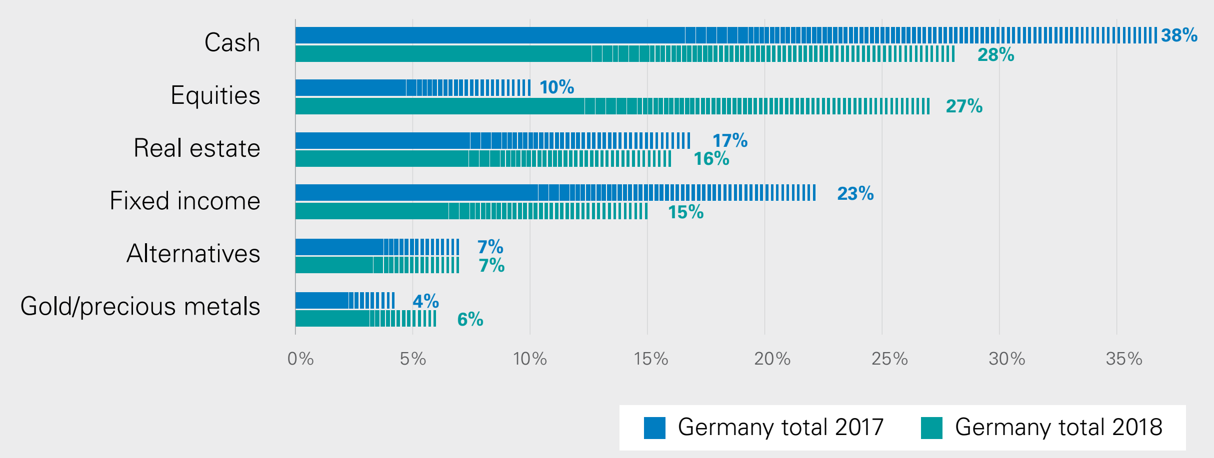
Nearly half (47%) of German investors expect Europe (excluding the U.K.) to have the best investment opportunities in the next 12 months. That ranks ahead of China (36%) and and the U.S. (27%). Investors feel more confident about real estate (41%) and international stocks (39%) than gold/precious metals (27%) and domestic stocks (27%).

Confidence in Germany's own equity market is stronger than confidence in the global market, with 64% expecting the German markets to increase throughout 2019 and 53% expecting global markets to increase. There are relatively few who expect the German and global markets to decrease (9% and 19%, respectively).

Almost all investors (95%) have income-producing assets and they seek an average return of 6.0% (up 0.2% compared to last year's survey) but they are receiving 5.2% (up 1.5% compared to last year's survey), a deficit of 0.8%. Income-generating portfolios consist of dividend-paying stocks (44%), bonds (20%), other assets (19%) and rental property (18%), on average.

Over the next five years, investors plan to increase long-term investments (55%) and regular income-producing investments (45%). People are more likely to increase high-risk/higher-returns investments (34%) than low-risk/lower-return investments (29%). Less popular were actively managed (37%) and passively managed (32%) investments. Investments that take a sustainable (ESG) approach (44%) are more likely to increase, compared to those based on automated reactions to markets (robo-advised) (33%).

Asset allocation



ESG and sustainability

Before being given any information about ESG and sustainable investing, German investors had a fairly low understanding of the topic. Only a quarter (25%) said they completely understood these types of investments; over half (54%) understood them a little, and just over a fifth (21%) did not understand them at all.

After having been shown a description of ESG and sustainable investing, 38% of investors strongly agreed that fund managers should be actively involved in "policing" companies they invest in to ensure they act responsibly. Twenty-eight percent said they would like to learn more about ESG and sustainable investing.

When it comes to sustainable behavior, 50% of these investors choose to buy from local businesses rather than those that need to transport goods over long distances. They also avoid businesses with controversial track records (49%), buy from businesses with good social responsibility records (44%) and consider businesses' carbon footprints when it comes to transportation/energy decisions (40%). In addition, they give to charity through donations/volunteering (38%) and they prefer to participate in sustainable investment funds (31%).

Just over four in 10 (41%) said they chose funds to invest in according to ESG considerations. Environmental factors were seen as more important (43%) than social (21%) or governance (21%) factors. Just one in six (16%) said all three were equally important.

When thinking about the impact of a company's activities, investors said the areas a fund manager should consider are its effect on global climate change (42%), its effect on the local environment (40%), treatment of the company's workforce (40%) and enforcement of an effective anti-corruption/anti-bribery policy (33%)."

One in six (16%) said that nothing stops them from participating more in sustainable investments. The main barriers are uncertainty over which investments take a sustainable approach (24%), the belief that returns won't be as good as with other investments (23%), limited availability of sustainable investments (22%), a lack of information (22%) and a lack of advice (21%). As a composite measure, slightly over half (52%) said lack of information/advice/understanding is a barrier. Still, more than four in 10 (44%) said they will increase their ESG investments over the next five years.

Investment knowledge and advice

Over a third (37%) of German investors use a financial advisor for all or the majority of decisions. Just under a quarter (24%) are DIY investors who do not use one at all. Advisor trust is generated through transparency in fees/information (51%) and a good reputation (49%). The next two most popular answers were delivering a strong investment performance (42%) and providing easy-to-understand information (40%).

Just under half (49%) of investors said their knowledge level is expert/advanced, and one in eight (12%) said they need to improve in order to effectively manage their investments. Sixty-three percent said they completely understand low-risk versus high-risk investments. That's well ahead of the number of people who said they understand crypto-currencies (42%), active versus passive investments (38%), ETFs (34%), ESG and sustainable investing (25%) and robo-advisors (21%).

The vast majority of investors (80%) are very involved in all decisions and believe it is important to review their investments regularly (79%). Nearly three-quarters (71%) save/invest for a specific goal or have goals primarily focused on long-term returns (67%).

COUNTRY PROFILES

FRANCE

Investor confidence

Investor confidence in France is above the global average, with 62% very or quite confident compared to 58% globally. The threats that most concern French investors are world economic instability (49%), increasing tax burden (48%), trade wars between countries (46%), world political instability (46%) and global stock market volatility (40%).

Over the next five years, 58% of investors will increase long-term investments ahead of regular income-producing investments (45%). They will also make increases in high-risk/higher-return opportunities (35%) over low-risk/lower-return opportunities (31%). Less likely are increases in actively managed investments (36%) compared to passively managed ones (31%). French investors also said they will increase investments that take an ESG or sustainable approach (46%) compared to those based on automated reactions to markets (robo-advised) (31%).

French investment portfolios consist of cash/cash equivalents (31%), real estate property/funds (21%), equities (20%), fixed income (14%), alternatives (9%) and gold/precious metals (5%). There's a near-even split between passive (51%) and active investments (49%).

Confidence in France's own equity market is stronger than confidence in the global market; 70% said the French market will increase throughout 2019, and 62% said the global market will increase. Those who believe the markets will decrease are minimal-5% and 9%, respectively.

Investors feel real estate (41%) is the best investment opportunity over the next 12 months, followed by international stocks (27%), domestic stocks (27%), alternatives (23%), gold/precious metals (23%) and crypto-currencies (21%).

Just under nine in 10 (89%) investors have income-producing assets. They seek an average return of 6.7% (up 0.7% compared to last year's survey) but are receiving 5.6% (up 1.0% compared to last year's survey), a deficit of 1.1%. Income-generating portfolios consist of dividend-paying stocks (37%), rental property (25%), bonds (24%) and other assets (14%), on average.

Over the next five years, 58% of investors will increase long-term investments ahead of regular income-producing investments (45%). They will also make increases in high-risk/higher-return opportunities (35%) over low-risk/lower-return opportunities (31%). Less likely are increases in actively managed investments (36%) compared to passively managed ones (31%). French investors also said they will increase investments that take an ESG or sustainable approach (46%) compared to those based on automated reactions to markets (robo-advised) (31%).

ESG and sustainability

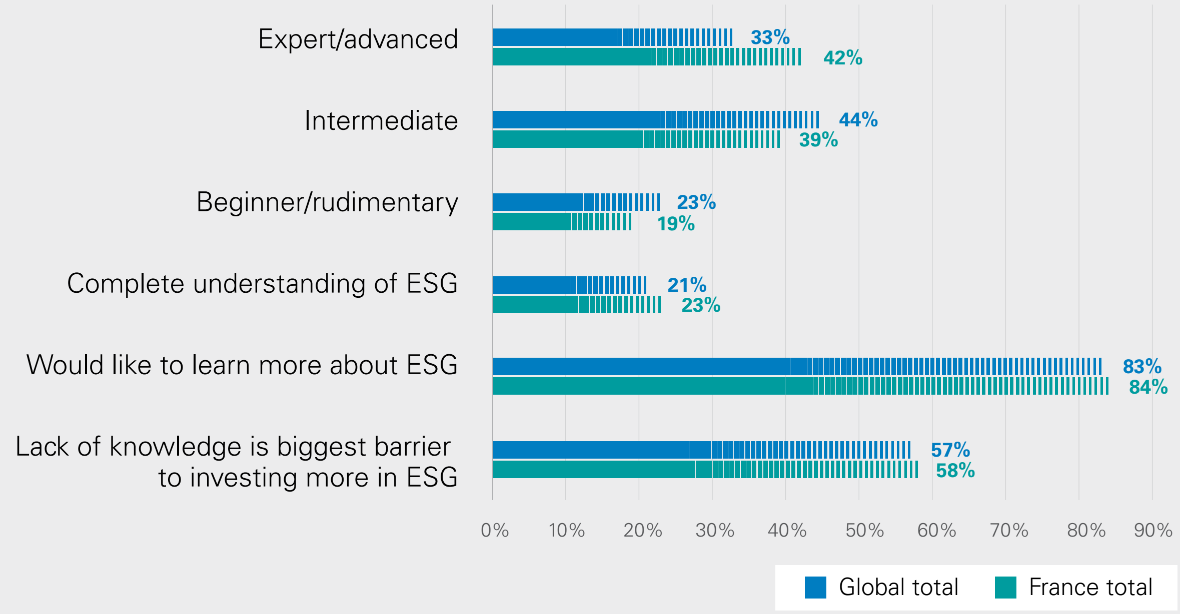
Before being given any information about ESG and sustainable investing, investor understanding of these terms was fairly low in France. Almost a quarter (23%) said they completely understood them, 55% understood them a little and 23% did not understand them at all.

After having been shown a description of ESG and sustainable investing, 39% of investors strongly agreed that fund managers should be actively involved in "policing" companies they invest in to ensure they act responsibly. One third of respondents said they would like to learn more about ESG and sustainable investing.

Almost half (46%) said they chose funds to invest in according to ESG considerations; environmental factors were the most important at 46%, followed by social (18%) and governance (17%) factors. Almost a fifth (18%) said all three were equally important. At least three in 10 investors said the most important areas a fund manager should consider when thinking about the impact of a company's activities were the effect on global climate change (35%), the effect on their local environment (34%), treatment of the company's workforce (34%), enforcement of an effective anti-corruption/anti-bribery policy (32%) and the effect on their local community (30%).

One in nine (11%) said nothing stops them from participating more in sustainable investments. The main barriers to investing this way are a lack of information (30%), a lack of advice (28%), the belief that they will pay higher investment fees than with other investments (28%), the belief that investment returns won't be as good as with other investments (24%) and a perception that there is limited availability of sustainable investments (22%). As a composite measure, almost six in 10 French investors (58%) believe a lack of information/advice/understanding is a barrier, although almost half (46%) say they will increase ESG investments over the next five years.

Knowledge of French investors



Investment knowledge and advice

Over half (52%) of French investors use a financial advisor for all or the majority of decisions, with one in nine (11%) identifying as a DIY investor who does not use an advisor at all. For 50% of investors, advisor trust is generated by transparency in fees/information, followed by personalized/tailored advice (42%) and a good reputation (41%).

Over 4 in 10 (42%) investors feel their knowledge level is expert/advanced, with just under a fifth (19%) who feel they'd need to improve it to effectively manage their investments. Those who feel they understood investment terms completely isn't very high, with low-risk versus high-risk investments (39%) and active versus passive investments (34%), ahead of crypto-currencies (24%), ESG/sustainable investing (23%), ETFs (23%) or robo-advisors (20%).

COUNTRY PROFILES

ITALY

Investor confidence

Investor confidence in Italy is relatively weak compared to global averages. Around two-fifths (42%) are very or quite confident in their investment opportunities over the next 12 months compared to 58% globally. Investors said that threats to their investments include their own country's economic instability (58%), world economic instability (58%), an increasing tax burden (52%), their own country's political instability (52%), world political instability (50%) and trade wars between countries (47%).

Italian investors are divided over their views on market volatility. One-third (33%) perceive it as negative, 32% see it as neutral and 27% see it as positive. Less than one in 10 (8%) said they don't understand enough about it.

Italian investors are underweight in equities compared to global averages, with allocations dedicated to cash/cash equivalents (28%), fixed-income investments (25%), equities (18%), real estate property/funds (14%), alternatives (10%) and gold/precious metals (6%). They skew toward active investments (55%) over passive investments (45%).

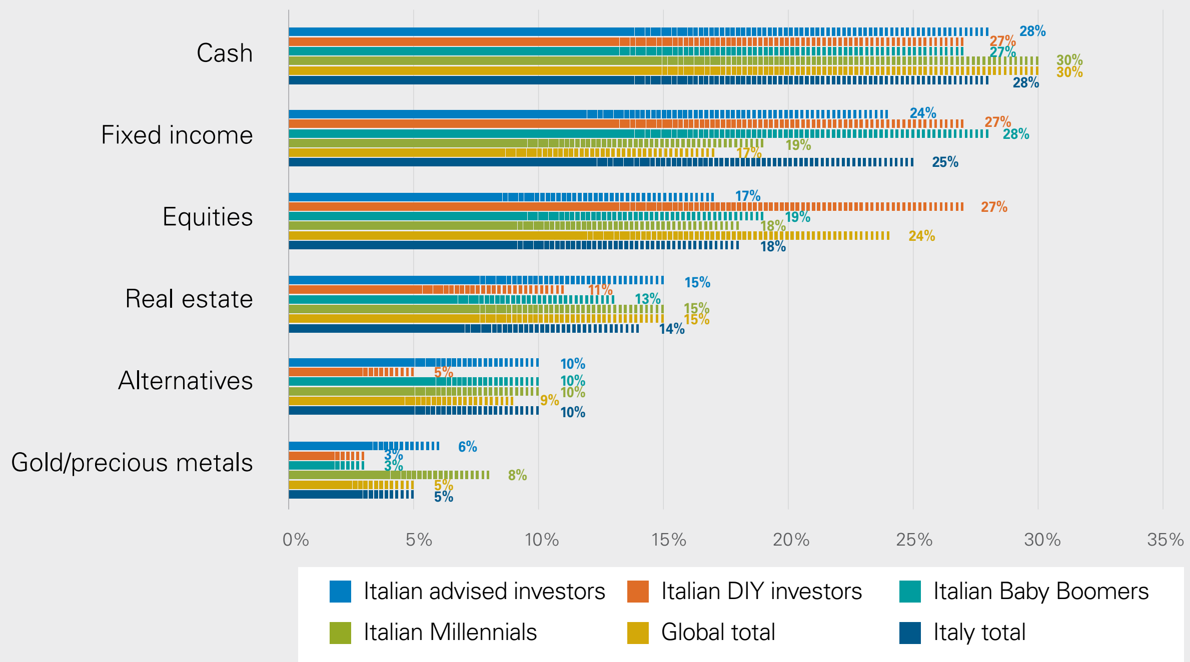
When looking at investment opportunities globally, 34% see the U.S. as having the best investment opportunities in the next 12 months, ahead of China (31%) and Europe (excluding the U.K.) (25%).

Investors feel most confident about international stocks (29%), real estate (27%), gold/precious metals (26%), international bonds (25%) and alternatives (23%) in the next 12 months. Less favored are cash (17%) and crypto-currencies (16%).

Just under nine in 10 (89%) investors have income-producing assets. They seek an average return of 5.6% (down 0.1% compared to last year's survey) but are receiving 4.4% (up 0.1% compared to last year's survey), a deficit of 1.2%. Both of these averages were the lowest out of all the countries surveyed. Income-generating portfolios most likely consist of bonds (37%) and dividend-paying stocks (32%), with lower allocations of rental property (18%) and other assets (14%), on average.

Over the next five years, investors are more likely to increase long-term investments (55%) and regular income-producing investments (43%). Moreover, increases in low-risk/lower-return investments (42%) are more likely than increases in high-risk/higher-return investments (31%). Increases in actively managed (43%) investments are favored over those that are passively managed (30%). Investments that take an ESG or sustainable approach (46%) are more likely to increase, while those based on automated reactions to markets (robo-advised investments) will be less popular (33%).

Asset allocation of Italian investors



ESG and sustainability

Before being given any information about ESG investments, understanding among Italian investors was fairly low, with just over a fifth (21%) who said they completely understood these types of investments. Half (50%) said they understood them a little and just under three in 10 (29%) did not understand them at all.

After having been shown a description of ESG investing, 44% of people strongly agreed that fund managers should be actively involved in "policing" companies they invest in to ensure they act responsibly. One-third (33%) said having money in funds that only invest in responsible companies is really important to them, and another one-third said they would like to learn more about ESG and sustainable investing (33%). Almost half (47%) said they choose funds to invest in according to ESG considerations; environmental factors (34%) were seen as more important than governance (25%) or social (16%) factors. Just over a quarter (26%) said all three were equally important.

When thinking about the impact of a company's activities, investors said a fund manager should consider the effect on the local environment (40%), treatment of the company's workforce (36%), the effect on global climate change (35%), the enforcement of an effective anti-corruption/anti-bribery policy (34%), avoiding involvement with unhealthy or addictive products (33%), the effect on the local community (32%) and making a concerted effort to improve their environmental and social impact (30%).

Investment knowledge and advice

Almost six in 10 (57%) of investors in Italy use a financial advisor for all or the majority of their decisions; fewer than one in 10 (7%) consider themselves DIY investors who do not use one at all. For around half of investors, advisor trust is generated by transparency in fees/information (55%), personalized/tailored advice (47%) and strong investment performance (46%).

Just over a third (35%) of investors said their knowledge level is expert/advanced, but almost a fifth (18%) said they'd need to improve it in order to effectively manage their investments. Sixty percent said they understood the concept of low-risk versus high-risk investments. At the same time, 34% said they understand crypto-currencies, 33% understand active versus passive investments, 29% understand ETFs, 21% understand ESG and sustainable investing and 17% understand robo-advisors.

COUNTRY PROFILES

SPAIN

Investor confidence

Spanish investor confidence in opportunities for the coming 12 months is relatively strong at 57%, and in line with the global average of 58% of investors who said they were very or quite confident.

When asked about threats they perceive which could impact investment returns in 2019, Spanish investors identified a mix of global macro and country-specific issues. They cited world economic instability (55%), their own country's political instability (52%), world political instability (51%), an increasing tax burden (49%), their own country's economic instability (49%), low interest rates/yields (48%) and inflation (48%) as the core challenges.

Spanish investors were equally likely to perceive market volatility as being negative (33%), neutral (32%) or positive (31%), with very few (5%) who said they don't understand enough about it.

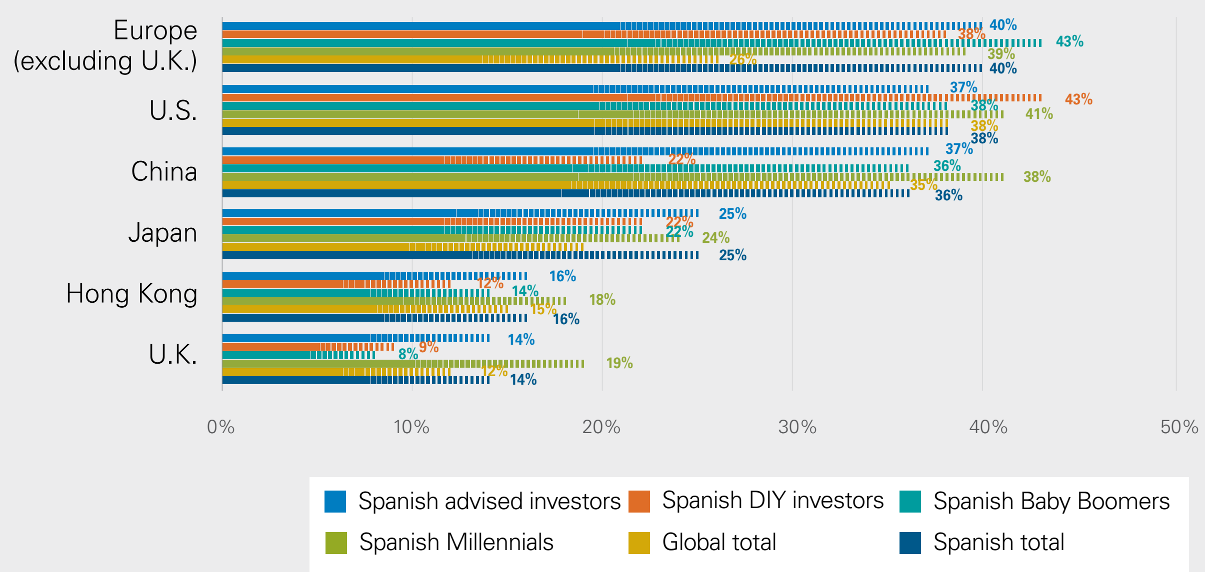
Spanish investors' portfolios consist of cash/cash equivalents (28%), equities (22%), fixed income (19%), real estate property/funds (17%), alternatives (10%) and gold/precious metals (5%). There's an almost-even split between passive investments (52%) and active investments (48%).

Spanish investors (40%) are more likely than others to believe Europe (excluding the U.K.) has the best investment opportunities in the next 12 months. That's ahead of the U.S. (38%) and China (36%).

When asked about the best investment opportunities over the next 12 months, Spanish investors chose real estate (41%), international stocks (30%), domestic stocks (25%), crypto-currencies (24%), alternatives (24%), gold/precious metals (20%) and cash (17%).

Just under nine in 10 (89%) investors have income-producing assets. They seek an average return of 6.0% (down 1.2% compared to last year's survey) but are receiving 5.1% (up 0.2% compared to last year's survey), a deficit of 0.9%. Income-generating portfolios consist of dividend-paying stocks (43%), rental property (23%), bonds (19%) and other assets (15%), on average.

Best investment opportunities



Over the next five years, investors are more likely to increase long-term investments (63%) ahead of regular income-producing investments (49%).
Increases in low-risk/lower-return investments (38%) will attract more interest than high-risk/higher-return investments (35%). Increases in actively managed investments (44%) are more likely than those in passively managed (33%) investments. Those that take a sustainable or ESG approach (50%) will be more popular than those based on automated reactions to markets (robo-advised investments) (37%).

ESG and sustainability

Before being given any information about ESG investments, Spanish investor understanding was fairly low, with a fifth (20%) who felt they completely understood these types of investments, over half (56%) who understood them a little and just under a quarter (24%) who did not understand them at all.

After having been shown a description of ESG investing, 48% of investors strongly agreed that fund managers should be actively involved in "policing" companies they invest in to ensure they act responsibly. Investors would like to learn more about ESG and sustainable investing (43%). Moreover, 37% believe that having money in funds that only invest in responsible companies is really important to them.

To encourage sustainable behavior, investors said they would avoid businesses with controversial track records (60%), buy from businesses with good records of social responsibility (52%) and buy from local businesses rather than those that need to transport goods over long distances (49%). Less important were considering a business's carbon footprint in transportation/energy decisions (43%), favoring sustainable investment funds over others (39%) and giving to charity through donations/volunteering (35%).

Over four in 10 (44%) Spanish investors said they chose funds to invest in according to ESG considerations; environmental factors were seen as being most important (32%), followed by social (24%) and governance (18%) factors. Just over a quarter (26%) said all three were equally important.

When thinking about the impact of a company's activities, investors said fund managers should consider the importance of enforcing an effective anti-corruption/anti-bribery policy (39%), making a concerted effort to improve their environmental and social impact (37%), the effects on global climate change (36%), the effect on the local environment (35%), the effect on their local community (34%) and the treatment of the company's workforce (31%).

Investment knowledge and advice

Over half (52%) of investors in Spain use a financial advisor for all or the majority of decisions. Fewer than one in 10 (7%) consider themselves a DIY investor who does not use one at all. For just over half (52%) of investors, advisor trust is generated by transparency in fees/information, a good reputation (46%) and strong investment performance (41%).

Just over a quarter (26%) of investors consider their knowledge level expert/advanced. More than a fifth (21%) said they need to improve it in order to effectively manage their investments. Nearly two-thirds (65%) said they understand the concept of low-risk versus high-risk investments. That's ahead of the people who understand active versus passive investments (41%), crypto-currencies (41%), ETFs (32%), ESG and sustainable investing (20%) and robo-advisors (19%).

The vast majority of investors (88%) said it is important to review their investments regularly; 84% are very involved in all decision making and 75% are saving/investing for a specific goal.

COUNTRY PROFILES

SWITZERLAND

Investor confidence

Sixty-one percent of Swiss investors said they were confident or quite confident in the investment opportunities available to them over the next 12 months. Threats to their investments include health insurance costs (46%), world political instability (46%) and world economic instability (46%). Lesser concerns are trade wars between countries (40%), low interest rates/yields (37%), an increasing tax burden (35%) and global stock market volatility (33%). This compares to global concerns around investment threats, which are predominantly macro in nature.

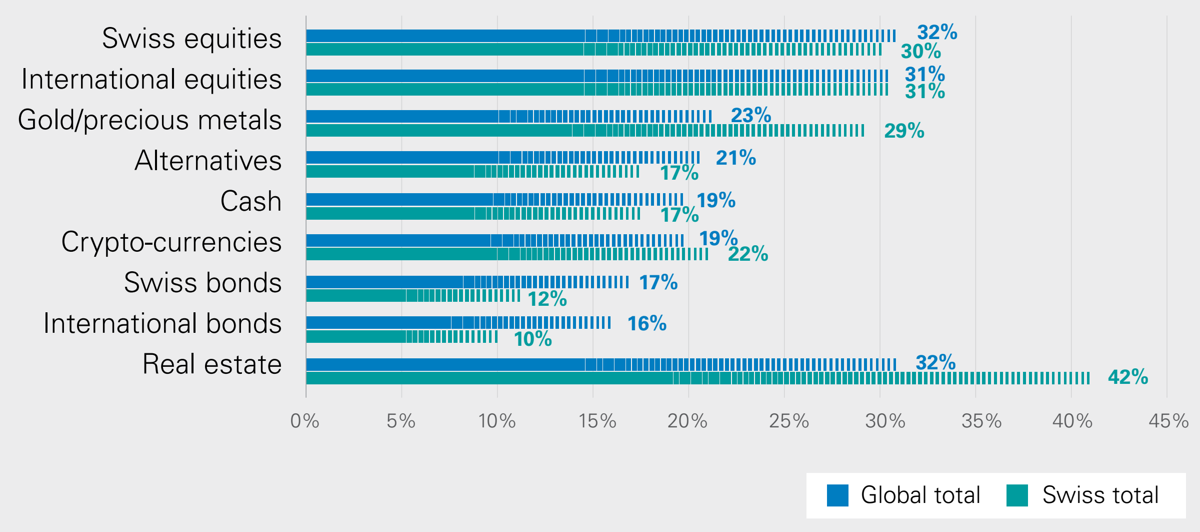
Market volatility is perceived as neutral (47%) rather than positive (28%) or negative (16%). Fewer than one in 10 (8%) said they don't understand enough about it.

Swiss investment portfolios primarily consist of cash/cash equivalents (33%) and equities (25%). Real estate property/funds were held by 17%, fixed income by 13%, gold/precious metals by 6% and alternatives by 6% as well. Passive investments are more popular than active investments at 55% and 45%, respectively. When asked about the best investment opportunities over the next 12 months, investors were most confident about real estate (42%) compared to international stocks (31%), domestic stocks (30%), gold/precious metals (29%) and crypto-currencies (22%).

Confidence in Switzerland's own equity market is stronger than confidence in the global market; 64% expect the Swiss market to increase throughout 2019 while only 7% expect it to decrease. This compares to 48% who said the global market will increase and 21% who said it will decrease-one of the highest proportions across all countries included in the survey.

Nearly all Swiss investors (93%) have income-producing assets. They seek an average return of 5.8% (no change compared to last year's survey), but are receiving 4.8% (up 1.0% compared to last year's survey), which means the deficit between the two has halved to 1.0%. Income-generating portfolios most likely consist of dividend-paying stocks (42%), followed by other assets (21%), bonds (19%) and rental property (18%), on average.

Investment opportunities in the next 12 months



ESG and sustainability

Before being given any information about these types of investments, Swiss investor understanding was low; only 18% said they completely them. More than half (55%) understood them a little and 27% did not understand them at all.

After having been shown a description of ESG investing, 41% of investors strongly agreed that fund managers should be actively involved in "policing" companies they invest in to ensure they act responsibly, Having money in funds that only invest in responsible companies is really important to 28% of respondents, and 26% would be willing to extend the period needed to achieve their goals if they could make investments that reflect their personal values.

Forty-six percent of investors said they chose funds to invest in according to ESG considerations; environmental factors (44%) ranked much higher than social (19%) or governance (14%) factors. Just under a quarter (24%) said all three were equally important.

When thinking about the impact of a company's activities, a fund manager should consider its effect on the local environment (44%), treatment of the company's workforce (43%) and its effect on global climate change (40%). Less important was enforcement of an effective anti-corruption/anti-bribery policy (31%).

Investment knowledge and advice

Just under four in 10 (39%) Swiss investors use a financial advisor for all or the the majority of their decisions. That's nearly double the proportion (21%) of DIY investors who do not use one at all. Among investors, advisor trust is generated by transparency in fees/information (56%), a good reputation (44%), personalized/tailored advice (38%), strong investment performance (35%) and providing easy online access to view/manage investments (35%). Thirty-five percent of investors said their knowledge level is expert/advanced, while 20% said they need to improve it in order to effectively manage their investments. Slightly more than half (51%) said they understood low-risk versus high-risk investments. That's ahead of those who said they understood active versus passive investments (35%), crypto-currencies (32%), ETFs (23%), ESG and sustainable investing (18%) and robo-advisors (14%).

Nearly 80% (78%) of investors said it is important to review their investments regularly and 77% said they are very involved in all decision making. Moreover, 70% are saving/investing for specific goals, which are primarily focused on long-term returns (68%).

COUNTRY PROFILES

SWEDEN

Investor confidence

Swedish investors are upbeat about investment opportunities in the coming 12 months, with 67% saying they are very or quite confident compared to the global average of 58%. Investors said threats to their investments include world political instability (47%), world economic instability (45%) and trade wars between countries (42%). Lesser concerns include global stock market volatility (37%), their own country's political instability (36%), their own country's economic instability (36%) and the decision of the U.S. to withdraw from the 2015 Paris Climate Accord (32%).

Market volatility is perceived as neutral (37%) or positive (28%) rather than negative (10%). Just over a quarter (26%) said they don't understand enough about it, which was the second-highest proportion of investors out of all the countries, just behind Japan (30%).

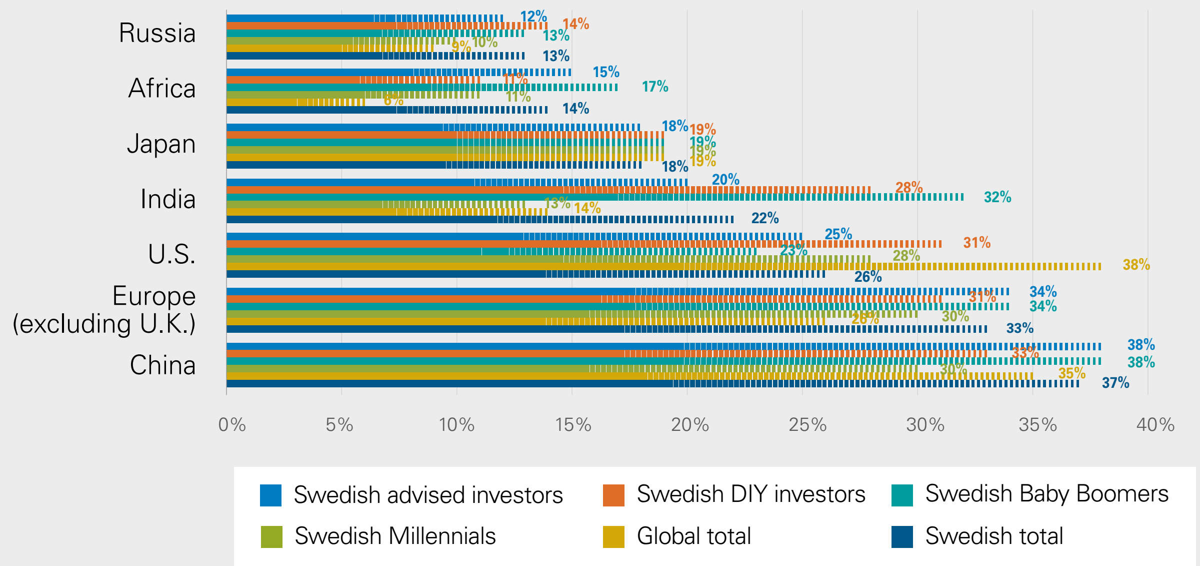
Swedish investors have broad asset allocations but are overweight in equities compared to global averages. The typical Swedish portfolio consists of equities (33%) and cash/cash equivalents (28%). They are less invested in fixed income (12%), real estate (property/funds) (11%), alternative investments (11%) and gold/precious metals (5%), with an even split between passive investments (52%) and active investments (48%).

Swedish investors (37%) expect China to have the best investment opportunities in the next 12 months, ahead of Europe (excluding the U.K.) (33%) and the U.S. (26%). Investors said international stocks (39%) are the best investment opportunities in the next 12 months, followed by domestic stocks (31%), real estate (28%) and gold/precious metals (21%).

The confidence that investors have in Sweden's own equity market is similar to the confidence they have in the global markets at 65% and 62%, respectively; they expect the markets to increase throughout 2019. Relatively few people believe the markets will decrease (12% and 17%, respectively).

More than eight in 10 (82%) investors have income-producing assets. They seek an average return of 8.2% (up 0.3% compared to last year's survey)

Best investment opportunities in the next 12 months



but are receiving 6.8% (up 1.2% compared to last year's survey), a deficit of 1.4%. Income-generating portfolios consist of dividend-paying stocks (52%), other assets (25%), bonds (13%) and rental property (10%), on average.

Over the next five years, Swedish investors plan to increase long-term investments (70%) and regular income-producing investments (55%). Increases in high-risk/higher-return investments (51%) are more likely than low-risk/lower-return investments (43%). Actively managed investments (48%) are more popular than passively managed ones (38%). Investments that take a sustainable or ESG approach (48%) are more attractive to investors than those based on automated reactions to markets (robo-advised investments) (40%).

ESG and sustainability

Before being given any information about ESG investments, Swedish investors' understanding of these terms was low. Only 18% of respondents said they completely understood these types of investments, while 51% understood them a little and 31% did not understand them at all.

After having been shown a description of ESG investing, 47% of investors strongly agreed that fund managers should be actively involved in "policing" companies they invest in to ensure they act responsibly. Further, 28% of investors said only investing in responsible companies is really important to them and the same percentage said they would like to learn more about ESG and sustainable investing.

Almost half (45%) said they chose funds to invest in according to ESG considerations; environmental factors were most important (36%) compared to social (27%) and governance (16%) factors. Twenty-two percent said all three were equally important. When thinking about the impact of a company's activities, at least a third of investors said the most important areas a fund manager should consider are the enforcement of an effective anti-corruption/anti bribery policy (40%), the effect on global climate change (37%), the effect on their local environment (34%) and the treatment of the company's workforce (34%).

Over a fifth (22%) feel that nothing stops them from investing more in sustainable investments. The main barriers are uncertainty over which investments take a sustainable approach (29%), a lack of information (21%), the belief that investment returns won't be as good as those of other investments (20%) and the perception that investment fees are higher than the fees for other investments (20%).

Investment knowledge and advice

Slightly more than a third (34%) of Swedish investors use a financial advisor for all or the majority of decisions, while 26% are DIY investors who do not use one at all. For over half of investors, advisor trust is generated by strong investment performance (56%), transparency in fees/information (49%) and a good reputation (45%).

Almost three in 10 (28%) investors said their level of investment knowledge is expert/advanced. Slightly more (31%) said they'd need to improve in order to effectively manage their investments. More than half (53%) understand low-risk versus high-risk investments. That's more than the percentage of people who understand active versus passive investments (36%), ETFs (31%), robo-advisors (20%), crypto-currencies (23%), and ESG and sustainable investing (18%).

Eighty-one percent of investors said it is important to review their investments regularly. More than three-quarters (76%) said their goals are primarily focused on long-term returns and 75% are very involved in all decision making.

COUNTRY PROFILES

BELGIUM

Investor confidence and concerns

Belgian investor confidence is relatively low compared to global averages. Just over half (52%) of Belgian investors feel very or quite confident about investment opportunities in the coming year, compared to 58% globally who are confident.

Investors revealed that threats to their investments include world economic instability (49%), world political instability (47%), trade wars between countries (46%), low interest rates/yields (42%), Brexit (the U.K.'s decision to leave the E.U.) (39%), an increasing tax burden (37%) and global stock market volatility (37%).

Belgian investors (40%) view market volatility as neutral (40%) rather than positive (24%),or negative (21%). One in seven (15%) said they don't understand enough about it.

Belgian investment portfolios consist of cash/cash equivalents (31%), equities (22%) and real estate property/funds (21%). Less popular are fixed income (14%), alternatives (9%) and gold/precious metals (4%). They have an almost-even split between passive investments (52%) and active investments (48%).

Investors feel confident about the Belgian market, favoring real estate (39%), international stocks (35%), domestic stocks (22%), gold/precious metals (20%), alternatives (17%), international bonds (15%) and cash (12%) as the best investment opportunities in the next 12 months.

Almost nine in 10 (86%) investors have income-producing assets. They seek an average return of 6.4% (up 0.3% compared to last year's survey) but are receiving 5.1% (up 0.7% compared to last year's survey), a deficit of 1.3%. Income-generating portfolios most likely consist of dividend-paying stocks (36%), bonds (25%), other assets (22%) and rental property (18%).

Over the next five years, investors are more likely to increase long-term investments (44%) and regular income-producing investments (41%). Increases in high-risk/higher-return investments (35%) are slightly more likely than low-risk/lower-return investments (30%). Also expected are increases in actively managed investments compared to passively managed ones (38% and 27%, respectively). Investments that take a sustainable or ESG approach (40%) are more likely to increase compared to those based on automated reactions to markets (robo-advised investments) (25%).

ESG and sustainability

Before being given any information about these types of investments, only 23% of Belgian investors said they completely understood them compared to 55% who understood them a little and 22% who did not understand them at all.

After having been shown a description of ESG investing, 35% of investors strongly agreed that fund managers should be actively involved in "policing" companies they invest in to ensure they act responsibly. Belgian investors (22%) said they would like to learn more about ESG and sustainable investing and stated that having money in funds that only invest in responsible companies is really important to them (21%).

Just over four in 10 (41%) said they chose funds to invest in according to ESG considerations; environmental (44%) factors were the most important compared to social (20%) and governance (13%) factors; 23% said all three were equally important.

When thinking about the impact of a company's activities, investors said a fund manager should consider the treatment of the company's workforce (38%), its effect on global climate change (35%), its enforcement of an effective anti-corruption/anti-bribery policy (35%), avoiding involvement in unhealthy/addictive products (34%) and its effect on their local environment (34%).

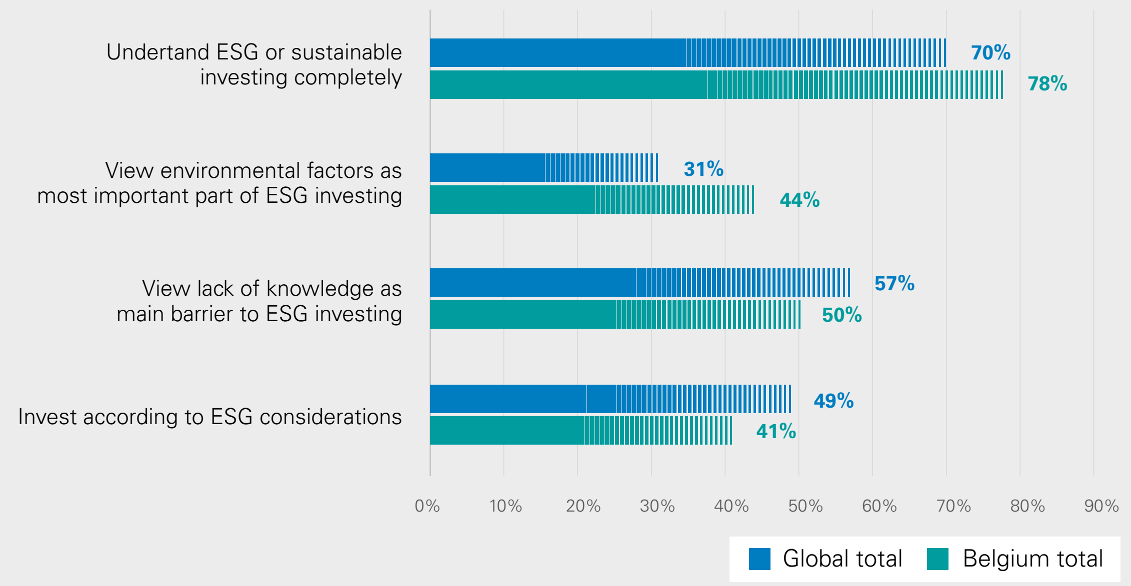
One in seven (15%) said that nothing stops them from participating more in sustainable investments; the main barriers are a lack of information (24%), just wanting to invest in products that will allow them to reach their goals quickly (23%), a lack of advice (21%), the belief that investment returns won't be as good as with other investments (21%), the perception that they have higher investment fees than other investments (21%), uncertainty over which investments take a sustainable approach (18%), and it simply isn't an important consideration (17%).

Investment knowledge and advice

Fully 50% of Belgian investors use a financial advisor for all or the majority of decisions; 14% are DIY investors that do not use one at all. Again, fully half of investors said advisor trust is generated by transparency in fees/information followed by personalized/tailored advice (44%) and providing easy-to-use information (42%).
Just over a quarter (26%) of investors said their knowledge level is expert/advanced while 31% said they'd need to improve in order to effectively manage their investments. More than half (57%) said they understand the concepts of low-risk versus high-risk investments while only 33% understand active versus passive investments, 23% understand ESG and sustainable investing, 22% understand crypto-currencies, 18% understand ETFs and 14% understand robo-advisors.

Eighty-one percent of Belgian investors said it is important to review their investments regularly, and 77% said they are very involved in all decision making. Nearly three-quarters (74%) prefer simplified/single-cost fee information.

Views on ESG



COUNTRY PROFILES

HONG KONG

Investor confidence and concerns

Hong Kong investor confidence is low, with 36% saying they are very or quite confident about investment opportunities in the coming 12 months compared to a global average of 58%.

At least a third of investors feel that threats to their investments are world economic instability (45%), global stock market volatility (42%), trade wars between markets (42%), world political instability (39%), inflation (37%), currency exchange rate volatility (33%), rising interest rates/yields (33%) or Hong Kong economic instability (33%).

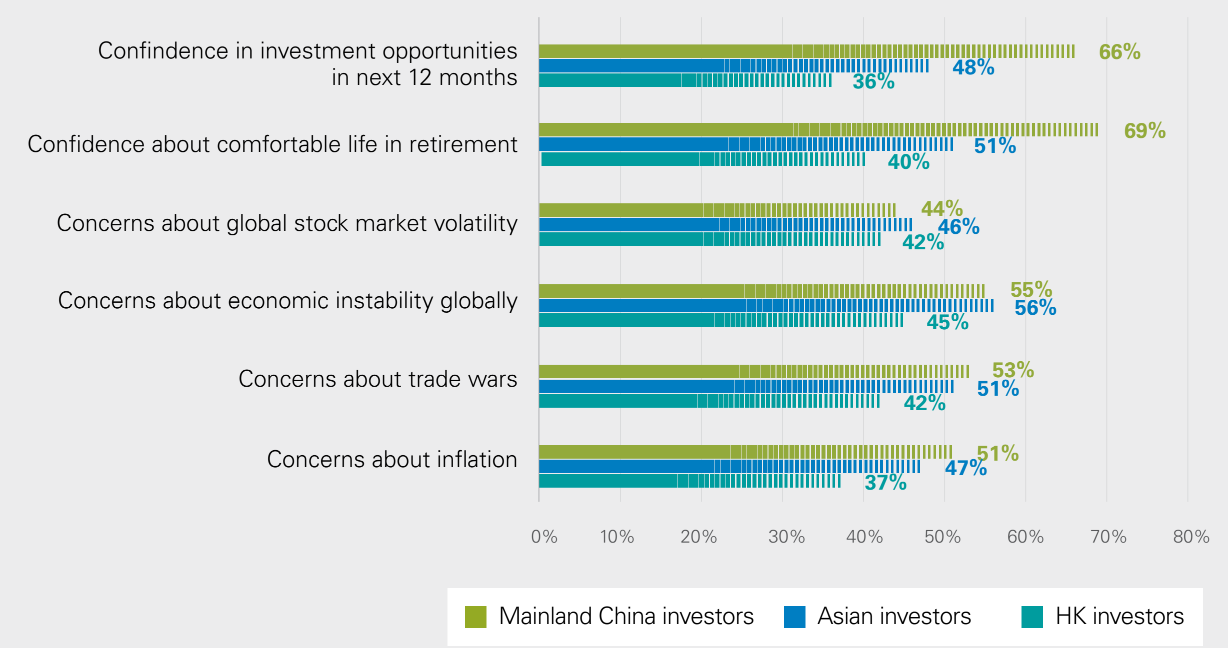
Market volatility is most likely to be perceived as being neutral (46%) or positive (35%), rather than being negative (15%), with very few (4%) who say they don't understand enough about it.

Around one-third of Hong Kong investment portfolios consist of cash/cash equivalents (35%) and equities (30%), fixed income (13%), real estate property/funds (11%), alternatives (7%), and gold/precious metals (4%). They have a near-even split between active investments (52%) and passive investments (48%).

More than half (52%) of investors said the best investment opportunities in the next 12 months will be in Hong Kong. The next most popular locations are China (39%) and the U.S. (36%). Investors view domestic stocks (49%), cash (36%), real estate (28%), international stocks (26%) and domestic bonds (19%) as the best investment opportunities in the next 12 months.

More than ninety percent (91%) of HK investors have income-producing assets. They seek an average return of 8.4% (up 0.6% compared to last year's survey) but are receiving 6.8% (up 0.9% compared to last year's survey), which is a deficit of 1.6%. Income-generating portfolios consist of dividend-paying stocks (51%), bonds (19%), rental property (17%) and other assets (13%), on average. Over the next five years, investors expect to increase their long-term investments (69%) ahead of regular income-producing investments (56%). Increases in high-risk/higher-return investments (36%) are more likely than low-risk/lower-return investments (32%). Further, HK investors expect to increase their funds in actively managed investments (38%) compared to passively managed ones (31%). Investments that take a sustainable or ESG approach (31%) will also increase compared to those based on automated reactions to markets (robo-advised investments) (33%).

Confidence and concerns



ESG and sustainability

Before being given any information about these types of investments, only 21% of Hong Kong investors said they completely understood these types of investments; 55% said they understood them a little and 25% said they did not understand them at all.

After having been shown a description of ESG investing, 38% of investors strongly agreed that fund managers should be actively involved in "policing" companies they invest in to ensure they act responsibly. Moreover, 31% said having money in funds that only invest in responsible companies is really important to them.

Over half (52%) said they chose funds to invest in according to ESG considerations; governance factors are most important (27%), followed by social (25%) and environmental (24%) factors. Twenty-four percent said the three factors were equally important.

When thinking about the impact of a company's activities, investors said a fund manager should consider its effect on the local environment (35%), its effect on global climate change (31%), its treatment of the company's workforce (31%), make a concerted effort to improve its environmental and social impact (30%), avoid involvement with unhealthy or addictive products (29%), enforce an effective anti-corruption/anti-bribery policy (28%) and its effect on the local community (27%).

Investment knowledge and advice

Just under a third (32%) of Hong Kong investors use a financial advisor for all or the majority of their decisions while 20% are DIY investors who do not using one at all. For half of investors, advisor trust is generated by strong investment performance, a good reputation (50%) and transparency in fees/information (45%).

One-quarter of investors said their knowledge level is expert/advanced and 26% said they would need to improve in order to effectively manage their investments. Sixty percent said they understood low-risk versus high-risk investments. That's greater than the percentage of HK investors who understand active versus passive investments (39%), ETFs (36%), crypto-currencies (32%), robo-advisors (24%) and ESG and sustainable investing (21%).

Eighty-seven percent of investors said it is important to review their investments regularly and 82% are saving/investing for a specific goal.
In addition, 80% are very involved in all decisions and 73% are primarily focused on long-term returns.

COUNTRY PROFILES

SINGAPORE

Investor confidence

Just over half (52%) of Singaporean investors are very or quite confident compared to the global average of 58%. They are most concerned about inflation (57%), world economic instability (54%), health insurance costs (53%), trade wars between markets (53%), global stock market volatility (51%), rising interest rates/yields (46%) and the cost of housing (rentals/mortgage rates) (43%).

Most perceive market volatility as positive (47%) compared to neutral (35%) or negative (13%); very few (5%) said they don't understand enough about it.

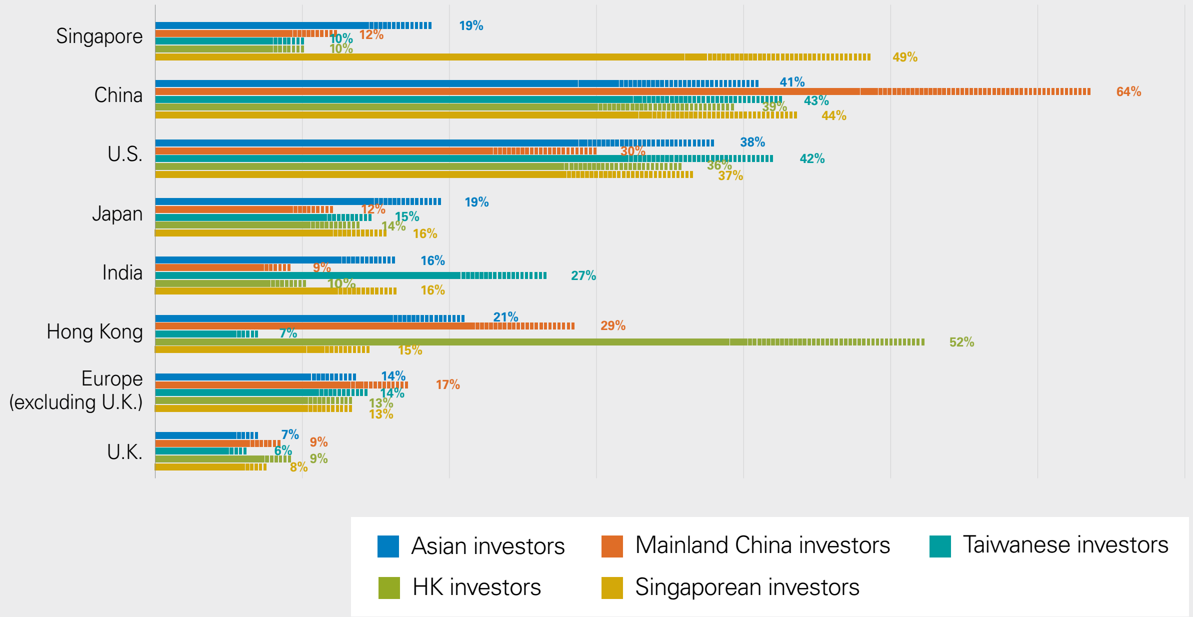
The average investment portfolio in Singapore consists of cash/cash equivalents (35%), equities (25%), fixed income (17%), real estate property/ funds (11%), alternatives (9%) and gold/precious metals (4%), with a 50-50 split between active and passive investments.

Singapore investors show highest belief in their own country (49%) as having the best investment opportunities in the next 12 months; this is ahead of China (44%) and the U.S. (37%).

Nearly half (49%) of Singaporean investors expect the best investment opportunities in the next 12 months to come from their own country. The next most popular investment locations are China (44%) and the U.S. (37%).

Investors are most confident about international stocks (42%) and domestic stocks (30%) as the best investment opportunities over the next 12 months, followed by real estate (27%), alternatives (22%), cash (22%), gold/precious metals (22%) and crypto-currencies (20%). Almost nine in 10 (88%) investors have income-producing assets. They seek an average return of 7.1% (up 0.1% compared to last year's survey) but are receiving 5.8% (up 0.6% compared to last year's survey), a deficit of 1.3%.

Best investment opportunities in the next 12 months



Income-generating portfolios consist of dividend-paying stocks (45%), bonds (22%), rental property (17%) and other assets (16%), on average.

ESG and sustainability

Before being given any information about these types of investments, only 15% of Singaporean investors said they completely understood these types of investments, while 48% understood them a little and 37% did not understand them at all.

After having been shown a description of ESG investing, 32% of investors strongly agreed that fund managers should be actively involved in "policing" companies they invest in to ensure they act responsibly. Twenty-nine percent of investors said they would like to learn more about ESG andsustainable investing and 28% said having money in funds that only invest in responsible companies is really important to them.

Over a third (36%) said they chose funds to invest in according to ESG considerations; governance factors were most important (30%) followed by environmental (24%) and social (15%) factors. However, 30% said all three were equally important.

Investment knowledge and advice

More than a third (36%) of Singaporean investors use a financial advisor for all or the majority of decisions while 17% are DIY investors who do not use one at all. Nearly two-thirds (63%) said advisor trust is generated by transparency in fees/ information, strong investment performance (59%) and a good reputation (56%).

More than one-quarter (28%) of investors said their knowledge level is expert/advanced; 25% said they'd need to improve it in order to effectively manage their investments. Just over half (52%) said they understand low-risk versus high-risk investments, 41% said they understand active versus passive investments, 28% said they understand ETFs, 19% understand crypto-currencies, 18% understand robo-advisors and 15% understand ESG and sustainable investing.

Nearly 90% (89%) said it is important to review their investments regularly, and 87% are saving/ investing for a specific goal; 86% are very involved in all decisions.

COUNTRY PROFILES

JAPAN

Investor confidence and concerns

Japanese investor confidence is the lowest out of all the markets surveyed. Just 29% of investors said they are very or quite confident about financial performance over the coming 12 months. They regard the greatest threats to their investments as world economic instability (64%), world political instability (56%), currency exchange rate volatility (54%), trade wars between markets (53%) and their own country's economic instability (52%). Additional threats are an increasing tax burden (45%) and rising interest rates/yields (39%).

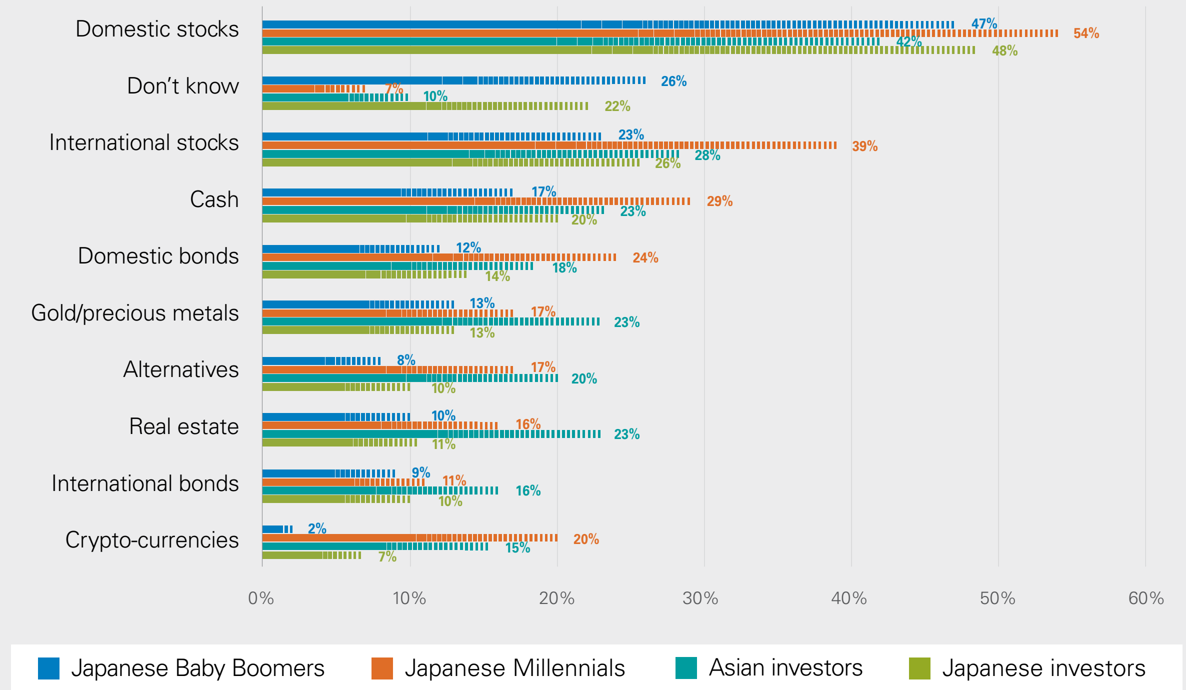
Market volatility is much more likely to be perceived as neutral (46%) rather than positive (17%) or negative (7%). Nearly one-third (30%) said they don't understand enough about it, thus illustrating the investment knowledge gap among Japanese investors.

Japanese investors are overweight in cash compared to the global average; cash/cash equivalents account for 44% of asset allocations, ahead of equities (27%), fixed income (13%), real estate property/funds (7%), gold/precious metals (4%) and alternatives (4%). Their investments are skewed toward passive investments (56%) rather than active investments (44%).

Japanese investors expect that the best investment opportunities over the next 12 months will be in the U.S. and Japan (46% and 41%, respectively). The next most popular locations are India (19%) and China (16%).

The assets that will be the most attractive in the next 12 months are domestic stocks (48%), international stocks (26%), cash (20%), domestic bonds (14%), gold/precious metals (13%), real estate (11%) and alternatives (10%).

Most attractive investment opportunities in the next 12 months



Just over nine in 10 (91%) investors have income-producing assets; they seek an average return of 7.4% (down 0.3% compared to last year's survey) but are receiving 5.2% (up 0.4% compared to last year's survey), a deficit of 2.2%. Income-generating portfolios consist of dividend-paying stocks (57%), bonds (20%), rental property (8%) and other assets (15%), on average.

ESG and sustainability

ESG investing is not well known in Japan. Before being given any information about these types of investments, the understanding among Japanese investors was extremely low; fewer than 8% said they completely understood these types of investments, while 34% said they understood them a little and 58% said they did not understand them at all.

After having been shown a description of ESG investing, 25% strongly agreed that having money in funds that only invest in responsible companies is really important to them. Moreover, 22% said fund managers should be actively involved in "policing" companies they invest in to ensure they act responsibly.

Thirty-eight percent of Japanese investors said they chose funds to invest in according to ESG considerations; governance factors were most important (38%), followed by environmental (25%) and social (12%) factors. One-quarter said all three were equally important.

Investment knowledge and advice

Only a fifth (20%) of Japan investors use a financial advisor for all or the majority of decisions, with almost half (46%) being a DIY investor and not using one at all, more than any other country. For around half of investors, advisor trust would be generated by providing easy-to-understand information (55%) or strong investment performance (48%).

The majority of investors (52%) said they'd need to improve their knowledge in order to effectively manage their investments, more than in any other country. Only 11% said their investment knowledge level is expert/advanced. Consequently, those who understand investment terms completely is low. Thirty-nine percent said they understand low-risk versus high-risk investments, 21% understand ETFs, 18% understand active versus passive investments, 14% understand robo-advisors, 11% understand crypto-currencies and 8% understand ESG/sustainable investing.

Fully 80% of investors said it is important to be very involved in all decisions, and 78% said it's important to review their investments regularly. More than three-quarters (76%) prefer simplified/single-cost fee information, and 74% have goals primarily focused on long-term returns.

COUNTRY PROFILES

TAIWAN

Investor confidence and concerns

Taiwanese investor confidence is relatively strong, with 56% saying they are very or quite confident about investment opportunities going into 2019, compared to a global average of 58%. They regard the greatest threats to their investments as global stock market volatility (61%), world economic instability (61%), inflation (59%), their own country's economic instability (56%), trade wars between markets (55%), world political instability (54%) and currency exchange rate volatility (53%).

Taiwanese investors were also bullish about market opportunity. Volatility was perceived as positive (56%) rather than neutral (24%) or negative (13%); 7% said they don't understand enough about it. This was notably higher than the global average. Taiwanese investment portfolios consist of cash/cash equivalents (33%) and equities (24%), followed by fixed income (16%), real estate property/funds (12%), gold/precious metals (7%) and alternatives (7%).

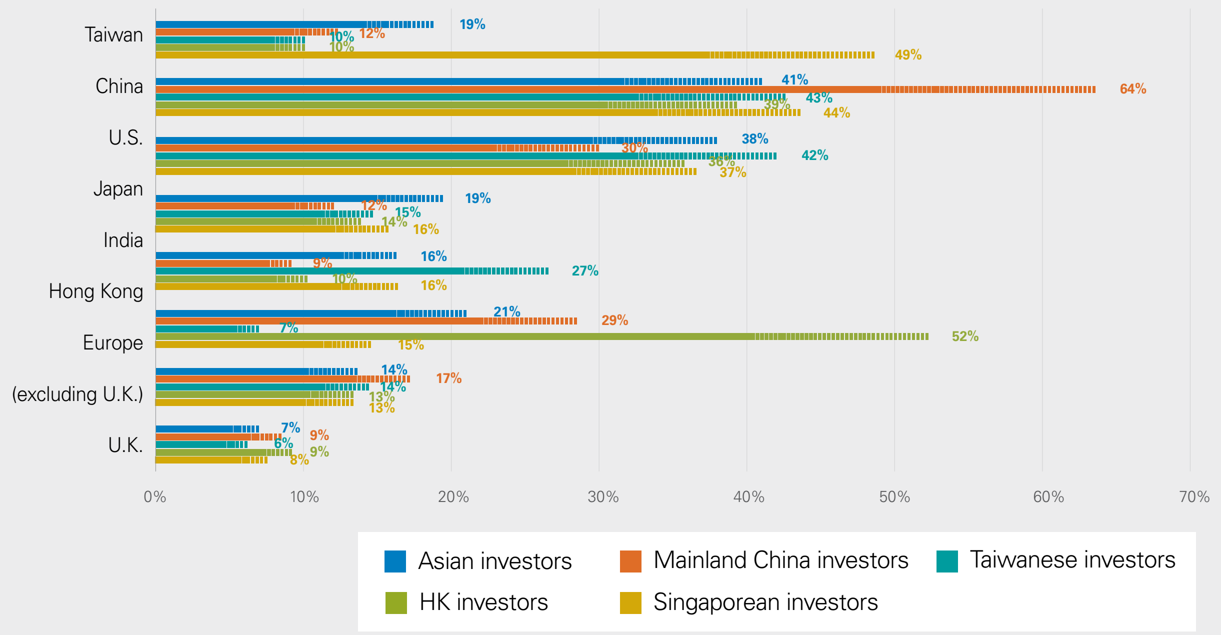
There was a near-even split between active (52%) and passive investments (48%).

Taiwanese investors believe the best investment opportunities in the next 12 months will come from China (43%) and the U.S. (42%). Those locations are followed by India (27%) and their home market (22%).

Investors feel most confident about domestic stocks (37%), followed by gold/precious metals (29%), international stocks (29%), alternative investments (25%), cash (24%), real estate (23%) and crypto-currencies (22%) as places to put their money over the next 12 months.

Almost nine in 10 (88%) investors have income-producing assets; they seek an average return of 6.7% (down 2.2% compared to last year's survey) but are receiving 6.0% (up 0.4% compared to last year's survey), a deficit of 0.7%. Income-generating portfolios consist of dividend-paying stocks (43%), bonds (20%), rental property (19%) and other assets (18%), on average.

Best investment opportunities in the next 12 months



Over the next five years, investors expect to increase long-term investments (74%) ahead of regular income-producing investments (58%). Increases in low-risk/lower-return investments (42%) are more likely than high-risk/higher-return investments (35%), as are increases in those actively managed investments (47%) over passively managed ones (37%). Investments that take a sustainable or ESG approach (45%) will increase compared to those based on automated reactions to markets (robo-advised investments) (42%).

ESG and sustainability

Before being given any information, Taiwanese investors demonstrated limited understanding about these types of investments; only 14% who said they completely understood them; 47% said they understood them a little and 39% said they did not understand them at all.

After having been shown a description of ESG investing, 44% of investors strongly agreed that fund managers should be actively involved in "policing" companies they invest in to ensure they act responsibly. At the same time, 38% said having money in funds that only invest in responsible companies is really important to them and 34% would be willing to extend the period needed to achieve their goals in favor of investments that reflected their personal values.

Almost three-quarters (73%) said they chose funds to invest in according to ESG considerations; governance and environmental factors were ranked almost equally at 21% and 20%, respectively, and just ahead of social factors at 16%. Forty-two percent said all three were equally important.

Investment knowledge and advice

Just under 40% (39%) of Taiwanese investors use financial advisors for all or the majority of their investing decisions, while 10% are DIY investors who not use one at all. For 53% of investors, advisor trust is generated by a good reputation, transparency in fees/information (52%) and providing easy-to-use information (49%).

Just over a quarter (26%) of investors consider their knowledge level to be expert/advanced while 26% said they'd need to improve it in order to effectively manage their investments. Less than half (47%) said they understood low-risk versus high-risk investments. That's considerably more than the percentage of respondents who said they understand active versus passive investments (31%), ETFs (28%), robo-advisors (22%), crypto-currencies (24%) and ESG or sustainable investing (14%).

More than eight in 10 (85%) said financial education should be provided, most likely by financial advisors (44%), asset managers/investment companies (35%) and educational institutions such as schools, colleges, and universities (34%).

More than 90% (94%) said it is important to review their investments regularly, 90% are very involved in all investment decisions and 89% are saving/investing for a specific goal, which is primarily focused on long-term returns (80%).

LEGG MASON
GLOBAL ASSET MANAGEMENT

COUNTRY PROFILES

CHINA

Investor confidence and concerns

Investors from Mainland China are riding high, with two-thirds (66%) expressing confidence in the outlook for the coming 12 months compared to the global average of 58%. Investors here are most likely to be concerned about threats to their investments from world economic instability (55%) and trade wars between markets (53%), a fact that is particularly appropriate given the negotiations between the U.S. and China. Other concerns are inflation (51%), their own country's economic instability (45%), global stock market volatility (44%), world political instability (40%) and currency exchange rate volatility (37%).

Market volatility is most likely to be perceived as positive (45%) rather than neutral (35%) or negative (16%). Only 4% said they don't understand enough about it.

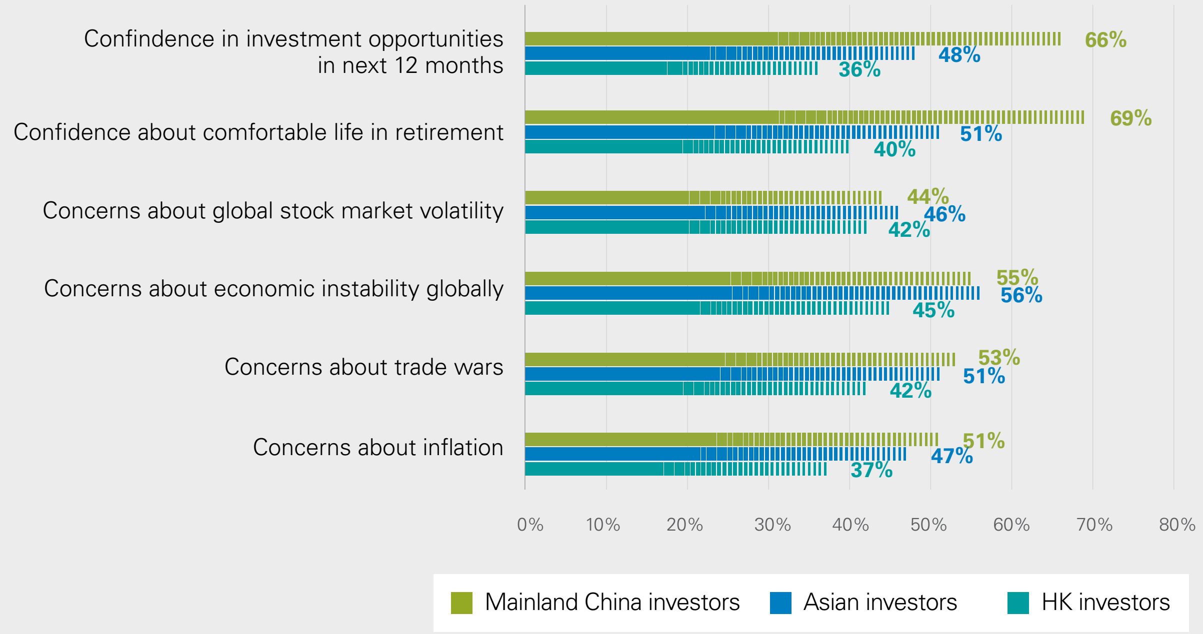
Chinese investment portfolios consist of cash/cash equivalents (24%), fixed income (21%), equities (21%) and real estate property/funds (17%), as well as alternatives (9%) and gold/precious metals (7%). They skew toward active (58%) over passive investments (42%).

Investors from Mainland China believe the best investment opportunities in the next 12 months will be had in China (64%), followed by the U.S. (30%) and Hong Kong (29%).

Investors said they are most confident about their domestic market, with the preferred assets being domestic stocks (46%), gold/precious metals (34%), domestic bonds (29%), alternatives (27%), real estate (27%) and international stocks (19%).

Just under three-quarters (74%) of investors have income-producing assets; they seek an average return of 9.1% (down 0.5% compared to last year's survey), which is second-highest out of all the markets, only behind Brazil (9.2%). They are receiving 7.7% (up 0.8% compared to last year's survey), which was tied with the U.S. (7.7%), but resulting in a shortfall of 1.4%. Income-generating portfolios consist of dividend-paying stocks (34%), bonds (30%), rental property (23%), and other assets (13%), on average.

Confidence and concerns



ESG and sustainability

Before being given any information about these types of investments, only 18% of investors said they completely understood them. Just over half (51%) said they understood them a little and almost a third (31%) said they did not understand them at all.

After having been shown a description of ESG investing, 44% of investors strongly agreed that fund managers should be actively involved in "policing" companies they invest in to ensure they act responsibly. Moreover, 40% would like to learn more about ESG and sustainable investing, 36% would be willing to extend the period needed to achieve their goals in favor of investments that reflect their personal values and 35% would happily pay slightly higher investment fees to be sure the money was only invested in responsible companies.

Over two-thirds (69%) said they chose funds to invest in according to ESG considerations; social factors (24%) ranked higher than environmental (14%) and governance (13%) factors. However, almost half (49%) said all three factors were equally important, higher than in any other country.

Investment knowledge and advice

Almost four in 10 (37%) Investors from Mainland China investors use a financial advisor for all or the majority of their decisions, while 15% are DIY investors who do not use one at all. For around 69% of investors, advisor trust is generated by a good reputation, strong investment performance (59%) and transparency in fees/information (58%). Just over a fifth (21%) of investors said their knowledge level is expert/advanced but 31% said they'd need to improve in order to effectively manage their investments. Nearly half (47%) said they understand low-risk versus high-risk investments compared to 34% who understand active versus passive investments, 32% who understand ETFs, 22% who understand robo-advisors, 20% who understand crypto-currencies and 18% who understand ESG or sustainable investing.

Eighty-nine percent of investors said it is important to review their investments regularly, 86% are very involved in all of their investing decisions, 84% are saving/investing for a specific goal and 78% have goals primarily focused on long-term returns.

COUNTRY PROFILES

BRAZIL

Investor confidence and concerns

Brazilian investor confidence is high compared to the global average, with 67% saying they were very or quite confident about potential returns over the coming 12 months compared to 59% globally. Respondents said the greatest threat to their investments are their own country's political instability (56%), inflation (55%), their own country's economic instability (55%), world economic instability (51%), an increasing tax burden (49%), world political instability (46%) and low interest rates/yields (43%). This compares to global investors who tend to take a more macro view of threats to investment performance.

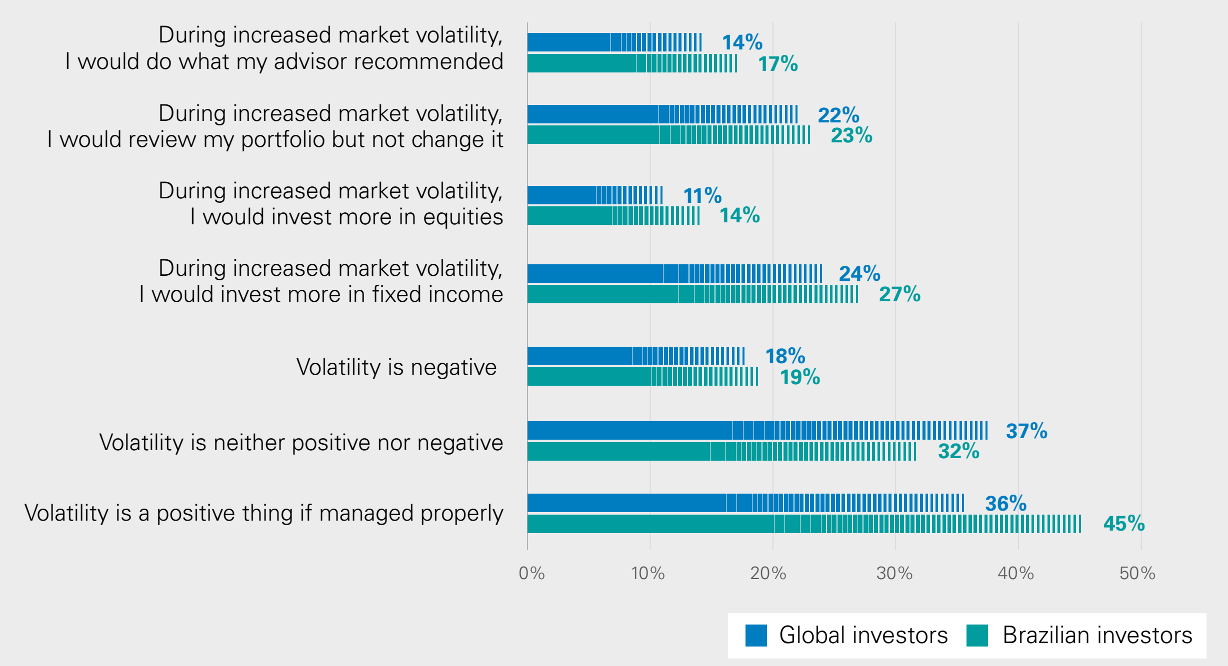
Market volatility is most likely to be perceived as being positive (45%) rather than neutral (32%) or negative (19%); very few (4%) said they don't understand enough about it.

Brazilian investors are relatively underweight in equities comparted to the global average. Their portfolios consist of fixed income (26%) and cash/cash equivalents (24%), followed by equities (18%), real estate property/funds (17%), alternatives (10%) and gold/precious metals (5%). There's a 50/50 split between active and passive investments.

Brazilian investors (60%) see the U.S. as presenting the best investment opportunities over the next 12 months, ahead of China (37%), Brazil (31%), Europe (excluding the U.K.) (25%) and Japan (24%). Investors are most confident about real estate (43%), crypto-currencies (33%), domestic bonds (32%), domestic stocks (32%), international stocks (31%) and alternatives (30%) when it comes to the best asset classes to invest in during the next 12 months.

Brazilian investors have slightly less confidence in their own equity market compared to global equity markets with 65% who think the Brazilian market should increase (versus 74% who think global markets should increase throughout 2019). There are 13% who think the Brazilian market should decrease in 2019.

Market volatility



The majority (93%) of investors have income-producing assets; they seek an average return of 9.2% (down 0.4% compared to last year's survey), which is the highest out of all the markets surveyed, just ahead of Mexico (9.0%) and China (9.1%). However, they are receiving 7.2% (down 0.3% compared to last year's survey)—third-highest behind the U.S. (7.7%) and China (7.7%)—resulting in a deficit of 2.0%. Income-generating portfolios consist of bonds (31%), dividend-paying stocks (29%), rental property (27%) and other assets (13%), on average.

ESG and sustainability

Before being given any information about these types of investments, just 24% of Brazilian investors said they completely understood them, while 49% said they understood them a little and 27%) said they did not understand them at all.

After having been shown a description of ESG investing, 57% of investors strongly agreed that they would like to learn more about ESG or sustainable investing. Moreover, they said 54% of fund managers should be actively involved in "policing" companies they invest in to ensure they act responsibly. And 45% said having money in funds that only invest in responsible companies is really important to them.

Just under six in 10 (59%) Brazilian investors said they chose funds to invest in according to ESG considerations; environmental factors (35%) ranked higher than social (22%) or governance (20%) factors. Almost a quarter (23%) of respondents said all three were equally important.

When thinking about the impact of a company's activities, 38% said a fund manager should consider enforcing an effective anti-corruption/anti-bribery policy, the effect on the local community (38%), making a concerted effort to improve their environmental and social impact (37%), the effect on the local environment (37%), treatment of the company's workforce (32%) and the effect on global climate change (30%).

Investment knowledge and advice

Over four in 10 (43%) Brazilian investors use a financial advisor for all or the majority of their decisions; 9% are DIY investors who do not use one at all. For 65%, advisor trust is generated by a good reputation, transparency in fees/information (62%) and a strong investment performance (51%).

Just 39% said their knowledge level is expert/advanced, while 14% said they'd need to improve in order to effectively manage their investments. More than half (58%) understand low-risk versus high-risk investments, 43% understand active versus passive investments, 32% understand ETFs, 23% understand robo-advisors, 40% understand crypto-currencies and 24% understand ESG or sustainable investing.

Ninety-three percent of investors said it is important to review their investments regularly, 91% are very involved in all investing decisions and 83% are saving/investing for a specific goal.

COUNTRY PROFILES

MEXICO

Investor confidence and concerns

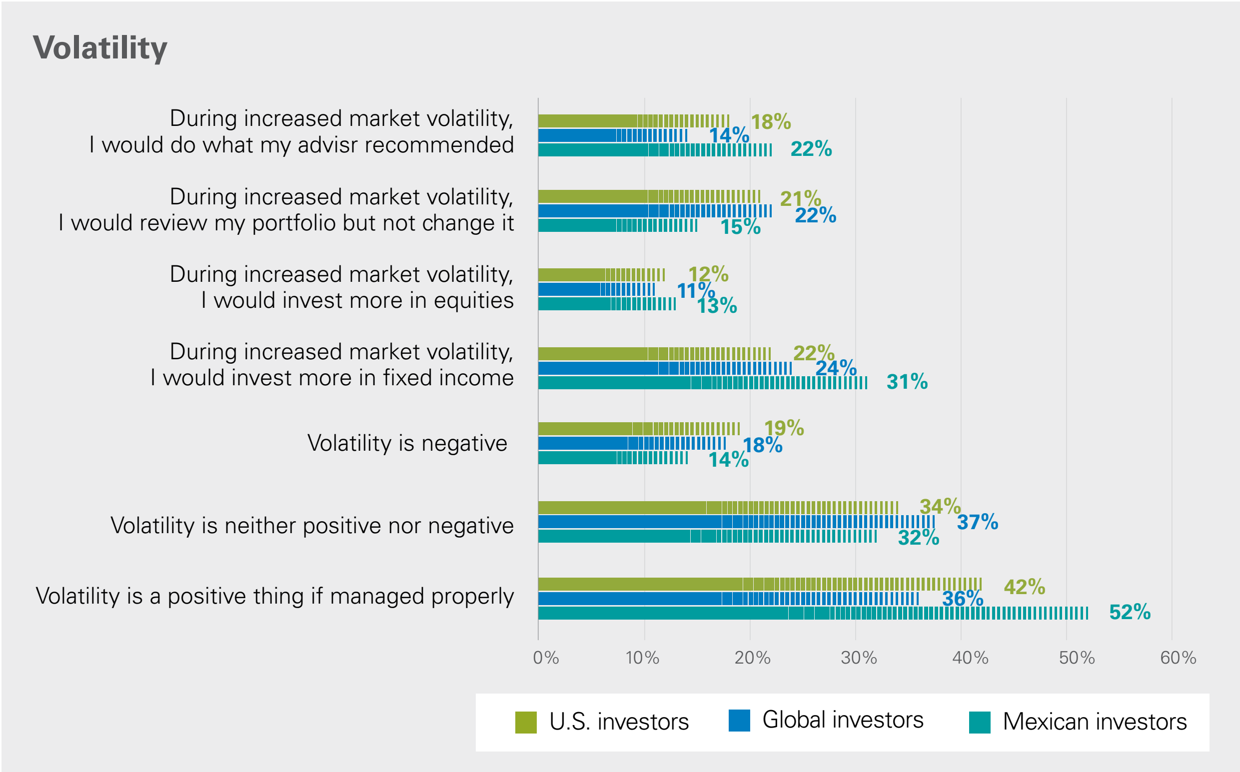
Mexican investors are more confident about the outlook over the coming 12 months than investors in any other country. Of those surveyed, 71% said they were very or quite confident compared to the global average of 58%. When asked what investment threats they are concerned about, Mexican investors identified global issues as their biggest concern. Additional concerns were world economic instability (53%), currency exchange rate volatility (49%), world political instability (47%), global stock market volatility (46%), trade wars between markets (45%), inflation (55%) and their own country's economic (50%) and political (47%) instability.

Market volatility is perceived as positive (52%) rather than neutral (32%) or negative (14%). Only 2% said they didn't understand enough about it. This compares to the global average of 36% of investors who perceived market volatility as an opportunity.

Portfolio and asset allocation

Mexican investment portfolios consist of cash/cash equivalents (26%), real estate property/funds (19%), equities (18%), fixed income (17%), alternatives (12%) and gold/precious metals (7%). They have a nearly even split between active and passive investments (51% and 49%, respectively). In comparison, the global average showed a higher allocation to equities (24%).

Mexican investors said the U.S. has the best investment opportunities over the next 12 months (48%), ahead of their own country (39%), China (36%), Japan (30%) and Europe (excluding the U.K.) (30%). Investors said they are most confident about real estate (46%), crypto-currencies (39%), alternatives (36%), international stocks (32%), gold/precious metals (26%), international bonds (24%) and cash (22%) when it comes to the most popular asset classes over the next 12 months.



Virtually all investors (97%) have income-producing assets and they seek an average return of 9.0% (down 1.2% compared to last year's survey) but are receiving 7.2% (up 0.3% compared to last year's survey), a deficit of 1.8%. Income-generating portfolios consist of dividend-paying stocks (36%), rental property (30%), bonds (25%) and other assets (9%), on average.

Virtually all (97%) investors have income producing assets and they seek an average return of 9.0% (down 1.2% compared to last year's survey) but are receiving 7.2% (up 0.3% compared to last year's survey), a deficit of 1.8%. Income generating portfolios most likely consist of dividend paying stocks (36%), rental property (30%) and bonds (25%) with other assets (9%) lower, on average.

ESG and sustainability

Before being given any information about these types of investments, about a third (31%) of Mexican investors said they completely understood them, while 56% said they understood them a little and 13% said they did not understand them at all.

After having been shown a description of ESG investing, 59% strongly agreed that they would like to learn more about ESG or sustainable investing. Moreover, 58% said fund managers should be actively involved in "policing" companies they invest in to ensure they act responsibly. And 58% of respondents said that having money in funds that only invest in responsible companies is really important to them.

Almost three-quarters (72%) said they chose funds to invest in according to ESG considerations; environmental and social factors were almost equally important (31% and 29%, respectively), while governance factors were seen as the least important (18%). Still, 22% said all three were equally important.

When thinking about the impact of a company's activities, 39% of investors said the most important areas a fund manager should consider are the effect on the local environment, the enforcement of an effective anti-corruption/anti-bribery policy (38%), making a concerted effort to improve their environmental and social impact (37%), treatment of the company's workforce (36%), the effect on their local community (35%) and the effect on global climate change (33%).

Investment knowledge and advice

Over half (53%) of Mexican investors use a financial advisor for all or the majority of their decisions, with virtually no respondents (2%) describing themselves as DIY investors who do not use one. Advisor trust is generated by a good reputation (58%), transparency in fees/information (54%), personalized/tailored advice (48%), a strong investment performance (48%), providing online access to view/manage their investments (45%) and easy-to-understand information (45%).

Almost four in 10 (37%) investors view their knowledge level as expert/advanced; only 12% said they'd need to improve in order to effectively manage their investments. A large percentage of investors (67%) understand the strategy of low-risk versus high-risk investments, 54% understand active versus passive investments, 53% understand crypto-currencies, 42% understand ETFs, 42% understand robo-advisors and 31% understand ESG and sustainable investing.

Virtually all investors (98%) believe that financial education should be provided, most likely by financial advisors (57%), banks (48%), educational institutions such as schools, colleges, universities(43%) and asset managers/investment companies (41%).

COUNTRY PROFILES

AUSTRALIA

Investor confidence and concerns

Australian investor confidence is strong, with 68% saying they are very or quite confident about the outlook over the coming 12 months; that compares to 58% of investors globally. Investors are most concerned by world economic instability (49%), health insurance costs (46%), global stock market volatility (43%), low interest rates/yields (42%), world political instability (40%) and trade wars between countries (38%).

This compares to the global average whereby just 11% of investors viewed economic instability around the world as their biggest concern.

Market volatility is equally likely to be perceived as positive (38%) or neutral (37%) rather than negative (18%); 7% said they don't understand enough about it.

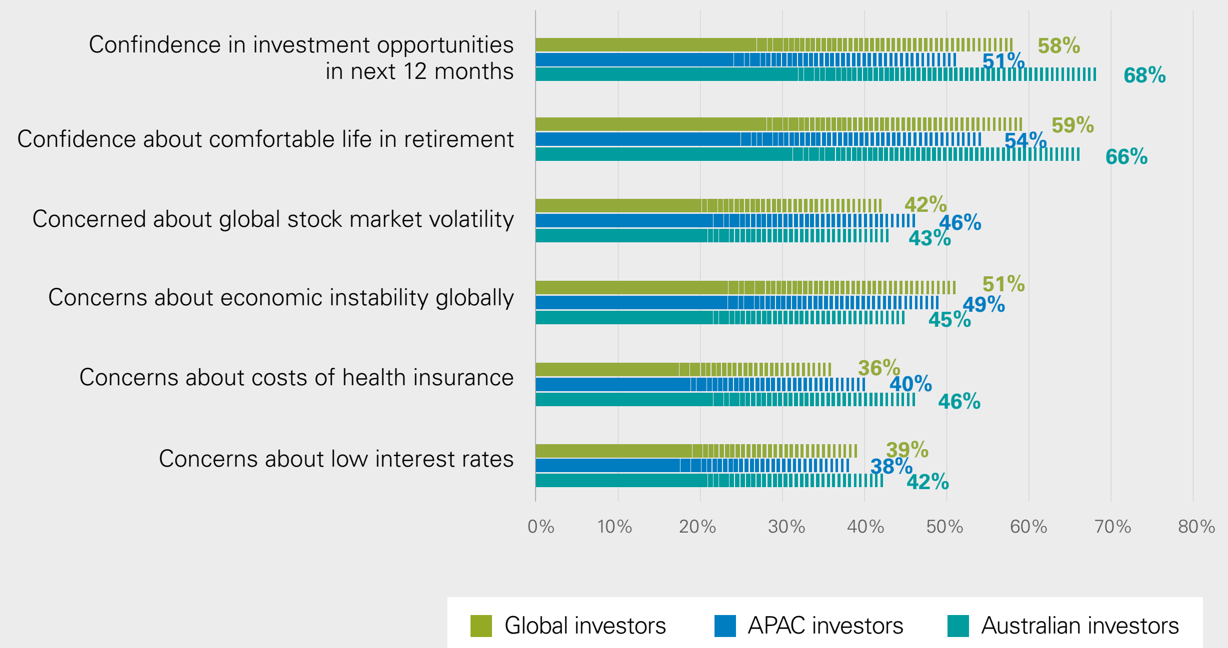
Portfolio and asset allocation

Australia investment portfolios consist of cash/cash equivalents (27%) and equities (25%), followed by real estate property/funds (18%), fixed income (16%), alternatives (9%) and gold/precious metals (5%). There's a split between active and passive investments of 54% to 46%, respectively.

More than half (58%) of Australian investors believe their own country presents the best investment opportunities over the next 12 months. That's ahead of the U.S. (34%) and China (29%).

When asked about the best asset classes for the next 12 months, investors expressed confidence in their own market, with domestic stocks (41%) slightly ahead of international stocks (37%), and well ahead of real estate (32%) or cash (27%).

Confidence and concerns



Over eight in 10 (84%) investors have income-producing assets; they seek an average return of 8.1% (down 0.2% compared to last year's survey) but are receiving 7.2% (up 0.5% compared to last year's survey), a deficit of 0.9%. Income-generating portfolios consist of dividend-paying stocks (45%), rental property (22%), bonds (15%) and other assets (19%), on average.

ESG and sustainability

Before being given any information about these types of investments, less than a quarter (23%) of Australian investors said they completely understood them, while 46% said they understood them a little and 32% said they did not understand them at all.

After having been shown a description of ESG investing, 40% of investors strongly agreed that fund managers should be actively involved in "policing" companies they invest in to ensure they act responsibly. That's ahead of the 30% who want to learn more about ESG and sustainable investing and the 29% who said having money in funds that only invest in responsible companies is really important to them. Forty-three percent of Australian investors said they choose funds to invest in according to ESG considerations; environmental and governance factors were weighted nearly equally at 30% and 27%, respectively, which is higher than social (19%) factors. Just under a quarter (24%) said all three were equally important.

When thinking about the impact of a company's activities, 45% said a fund manager should consider the treatment of its company's workforce, the effect on the local environment (40%), enforcement of an effective anti-corruption/anti-bribery policy (34%), avoiding involvement in unhealthy or addictive products (32%) and its effect on global climate change (31%).

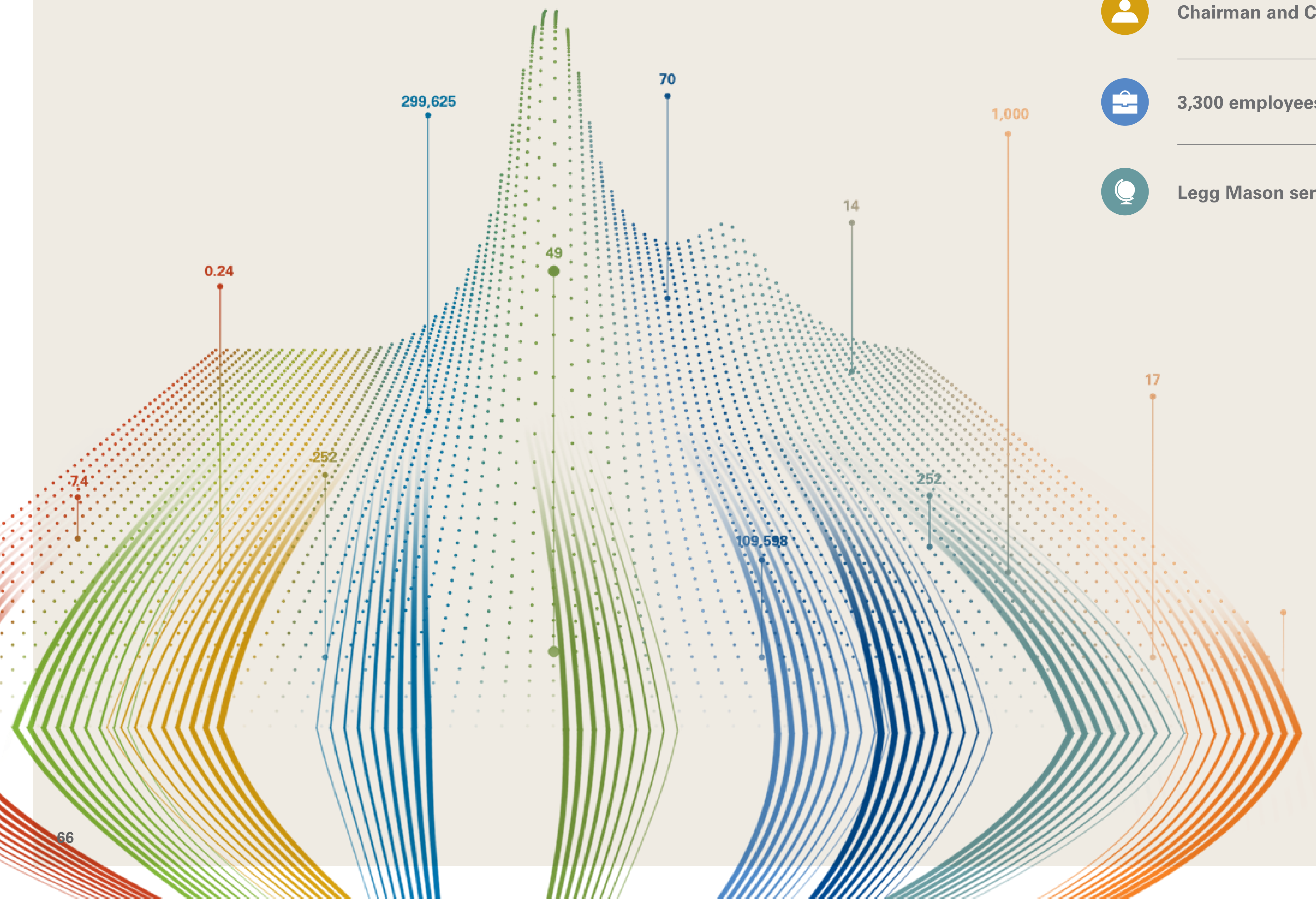
Investment knowledge and advice

Almost half (45%) of Australian investors use a financial advisor for all or the majority of their decisions, with 22% describing themselves as DIY investors who do not use one at all. For 61% of investors, advisor trust is generated by a good reputation, transparency in fees/information (54%) and strong investment performance (50%).

Four in 10 (40%) investors said their knowledge level is expert/advanced but 18% said they'd need to improve in order to effectively manage their investments. More than half (53%) said they understand low-risk versus high-risk investments, which is ahead of those who understand active versus passive investments (34%), crypto-currencies (28%), ETFs (27%), ESG or sustainable investing (23%) and robo-advisors (21%).

Eighty-five investors said 85% said it is important to review their investments regularly, 82% said their goals are primarily focused on long-term returns and 78% said they are very involved in all of their investment decisions.

APPENDICES



- Legg Mason is a diversified global asset management firm founded in 1899
- Legg Mason's network of nine independent investment managers–each with distinct capabilities and expertise–connects clients to a diverse array of active equity, fixed income and alternative strategies
- Headquartered in Baltimore, Maryland, USA
- Chairman and Chief Executive Officer–Joseph A. Sullivan
- 3,300 employees
- Legg Mason serves clients from 39 locations around the world

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APPENDICES

Legg Mason Global Investment Survey 2018

LEGG MASON GLOBAL INVESTORS STUDY 2018	Global	Europe	Asia	U.K.	France	Germany	Italy	Spain	Switzerland	Sweden	Belgium	Hong Kong	Singapore	Japan	Taiwan	China	Australia	U.S.	Brazil	Mexico	Millennials (18-36years old)	Baby Boomers (51-70years old)
	16,810	7,810	5,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	810	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	6,339	4,962
Allocation of investment assets (Avg. %)																						
Cash or cash equivalents	30.0	29.9	34.3	33.5	30.7	27.8	27.9	27.9	32.6	28.0	30.9	34.9	34.8	44.3	32.8	24.3	27.4	22.2	23.9	26.2	29.5	30.1
Equities	23.8	23.7	25.4	22.6	19.7	27.5	17.9	21.8	25.2	33.4	21.6	29.8	24.7	26.9	24.1	21.0	24.6	27.6	17.7	18.1	20.9	26.7
Fixed income	17.0	16.0	16.0	15.6	14.4	14.8	24.5	19.1	12.9	12.2	14.1	12.8	16.6	13.4	16.4	21.3	15.7	21.2	25.8	17.5	16.4	17.8
Real estate	15.0	16.1	11.7	12.4	20.8	16.2	14.4	16.9	17.2	11.3	20.6	11.1	10.8	7.4	12.4	17.4	17.6	12.6	17.5	19.3	14.6	15.5
Alternatives	8.9	9.0	7.2	10.5	9.3	7.3	9.8	9.6	6.5	10.5	8.7	7.0	8.7	4.2	7.2	8.9	9.4	10.7	10.3	12.3	11.0	6.6
Gold/precious metals	5.3	5.2	5.3	5.4	5.2	6.4	5.5	4.7	5.7	4.6	4.2	4.4	4.4	3.8	7.1	7.1	5.3	5.7	4.8	6.6	7.6	3.2
Don't know	6%	7%	5%	9%	8%	9%	5%	6%	6%	9%	8%	2%	5%	5%	5%	10%	10%	7%	3%	3%	6%	7%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Top investments that offer the best opportunities over the next 12 months (%)																						
Real estate	32%	36%	23%	27%	41%	41%	27%	41%	42%	28%	39%	28%	27%	11%	23%	27%	32%	29%	43%	46%	34%	31%
Domestic stocks	32%	25%	42%	24%	27%	27%	13%	25%	30%	31%	22%	49%	30%	48%	37%	46%	41%	46%	32%	18%	29%	35%
International stocks	31%	32%	28%	29%	27%	39%	29%	30%	31%	39%	35%	26%	42%	26%	29%	19%	37%	26%	31%	32%	31%	32%
Gold/precious metals	23%	24%	23%	25%	23%	27%	26%	20%	29%	21%	20%	16%	22%	13%	29%	34%	20%	18%	15%	26%	23%	21%
Alternatives	21%	20%	20%	18%	23%	16%	23%	24%	17%	17%	17%	16%	22%	10%	25%	27%	18%	20%	30%	36%	25%	17%
Cash	19%	15%	23%	19%	15%	13%	17%	17%	17%	9%	12%	36%	22%	20%	24%	15%	27%	20%	21%	22%	23%	15%
Crypto-currencies	19%	18%	15%	15%	21%	16%	16%	24%	22%	16%	11%	12%	20%	7%	22%	16%	14%	12%	33%	39%	28%	10%
Domestic bonds	17%	13%	18%	16%	14%	11%	16%	15%	12%	10%	11%	19%	20%	14%	9%	29%	15%	23%	32%	18%	19%	14%
International bonds	16%	15%	16%	17%	12%	15%	25%	16%	10%	10%	15%	16%	17%	10%	22%	15%	15%	13%	22%	24%	19%	13%
Don't know	11%	13%	10%	17%	13%	8%	11%	13%	8%	18%	16%	6%	8%	22%	8%	5%	11%	16%	4%	1%	5%	17%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

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LEGG MASON GLOBAL INVESTORS STUDY 2018	Global	Europe	Asia	U.K.	France	Germany	Italy	Spain	Switzerland	Sweden	Belgium	Hong Kong	Singapore	Japan	Taiwan	China	Australia	U.S.	Brazil	Mexico	Millennials (18-36years old)	Baby Boomers (51-70years old)
	16,810	7,810	5,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	810	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	6,339	4,962
Markets/regions representing the best investing opportunities (%)																						
U.S.	38%	29%	38%	30%	28%	27%	34%	38%	26%	26%	26%	36%	37%	46%	42%	30%	34%	73%	60%	48%	40%	38%
China	35%	33%	41%	30%	29%	36%	31%	36%	34%	37%	33%	39%	44%	16%	43%	64%	29%	24%	37%	36%	33%	35%
Europe (excl U.K.)	26%	35%	14%	23%	35%	47%	25%	40%	38%	33%	41%	13%	13%	10%	14%	17%	15%	22%	25%	30%	25%	27%
Japan	19%	18%	19%	17%	19%	15%	21%	25%	10%	18%	15%	14%	16%	41%	15%	12%	13%	19%	24%	30%	20%	19%
Hong Kong	15%	13%	21%	13%	16%	11%	16%	16%	11%	10%	9%	52%	15%	3%	7%	29%	12%	11%	15%	14%	18%	12%
India	14%	14%	16%	19%	14%	11%	14%	10%	10%	22%	14%	10%	16%	19%	27%	9%	14%	8%	7%	7%	10%	17%
Singapore	14%	11%	19%	12%	14%	9%	11%	10%	17%	7%	10%	10%	49%	13%	10%	12%	18%	8%	10%	9%	14%	13%
United Kingdom	12%	13%	7%	38%	10%	7%	13%	14%	9%	6%	9%	9%	8%	4%	6%	9%	19%	16%	17%	17%	17%	9%
Australia	12%	9%	9%	9%	7%	8%	14%	9%	9%	7%	8%	7%	12%	13%	7%	7%	58%	11%	9%	6%	11%	13%
Russia	9%	11%	6%	6%	10%	10%	19%	10%	9%	13%	7%	5%	4%	3%	10%	10%	7%	5%	8%	15%	10%	7%
Other Asian markets	7%	7%	10%	6%	5%	5%	5%	6%	9%	9%	9%	8%	17%	7%	15%	2%	7%	5%	3%	3%	4%	10%
Brazil	7%	7%	4%	8%	7%	7%	6%	8%	7%	7%	6%	4%	3%	3%	5%	4%	4%	5%	31%	7%	8%	6%
African markets	6%	7%	6%	5%	8%	6%	5%	4%	7%	14%	5%	5%	4%	4%	9%	8%	4%	4%	2%	2%	6%	5%
Taiwan	6%	5%	8%	4%	6%	3%	6%	6%	5%	4%	4%	5%	4%	4%	22%	4%	4%	4%	5%	4%	7%	4%
Mexico	5%	3%	2%	4%	4%	3%	3%	5%	3%	2%	3%	2%	2%	2%	3%	2%	7%	5%	3%	39%	8%	3%
South American markets (excluding Brazil)	5%	6%	5%	5%	7%	7%	4%	5%	6%	9%	5%	4%	5%	2%	8%	5%	2%	6%	5%	4%	7%	4%
Other	6%	9%	4%	7%	8%	10%	8%	7%	14%	11%	11%	3%	3%	8%	2%	2%	3%	6%	3%	1%	4%	9%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Allocation of Active Investments and Passive Investments																						
Passive - Average (%)	49.4	51.2	48.6	49.0	50.6	53.0	45.0	52.5	55.3	52.4	52.0	48.2	49.6	55.6	47.9	42.0	45.9	42.1	50.0	49.0	48.9	49.7
Active - Average (%)	50.6	48.8	51.4	51.0	49.4	47.0	55.0	47.6	44.7	47.6	48.0	51.8	50.4	44.5	52.2	58.0	54.2	57.9	50.0	51.0	51.1	50.3
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Increase of proportion of the following types of investments in portfolio in 5 years' time?																						
Long-term investments, like retirement savings	62%	57%	64%	53%	58%	55%	55%	63%	57%	70%	44%	69%	69%	32%	74%	75%	63%	57%	75%	86%	76%	45%
Regular income producing investments	50%	46%	51%	40%	45%	45%	43%	49%	46%	55%	41%	56%	58%	37%	58%	46%	49%	51%	68%	68%	55%	46%
Investments that take a sustainable (ESG) approach	45%	45%	39%	40%	46%	44%	46%	50%	46%	48%	40%	31%	38%	22%	45%	59%	45%	41%	63%	66%	56%	35%
Actively managed investments, based on decisions of an expert	44%	41%	40%	45%	36%	37%	43%	44%	38%	48%	38%	38%	41%	21%	47%	54%	42%	47%	62%	68%	53%	35%
Low-risk/lower-returns investments	38%	35%	37%	37%	31%	29%	42%	38%	28%	43%	30%	32%	40%	28%	42%	45%	41%	46%	51%	50%	44%	34%
High-risk/higher-eturns investments	37%	36%	34%	35%	35%	34%	31%	35%	34%	51%	35%	36%	39%	18%	35%	40%	33%	38%	49%	57%	50%	24%
Robo-advisor investments, automated decisions are based on reactions to markets	37%	34%	37%	34%	31%	33%	33%	37%	34%	40%	25%	33%	33%	25%	42%	50%	32%	32%	52%	59%	50%	24%
Passively managed investments that follow a market index	35%	32%	33%	32%	31%	32%	30%	33%	29%	38%	27%	31%	38%	19%	37%	39%	36%	39%	51%	56%	46%	24%

APPENDICES

	Global	Europe	Asia	U.K.	France	Germany	Italy	Spain	Switzerland	Sweden	Belgium	Hong Kong	Singapore	Japan	Taiwan	China	Australia	U.S.	Brazil	Mexico	Millennials (18-36years old)	Baby Boomers (51-70years old)
LEGG MASON GLOBAL INVESTORS STUDY 2018																						
	16,810	7,810	5,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	810	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	6,339	4,962
Confidence about investment opportunities in the next 12 months																						
Very confident	15%	15%	11%	24%	13%	17%	8%	10%	13%	23%	7%	6%	9%	4%	17%	18%	18%	28%	27%	20%	22%	9%
Quite confident	42%	44%	37%	42%	50%	45%	34%	47%	48%	43%	45%	30%	43%	25%	39%	48%	50%	41%	40%	51%	44%	40%
Neither confident nor concerned	28%	31%	31%	26%	28%	32%	42%	24%	32%	27%	35%	45%	30%	45%	8%	26%	24%	23%	20%	17%	23%	35%
Quite concerned	11%	9%	17%	7%	8%	6%	14%	17%	6%	5%	11%	16%	15%	20%	26%	8%	7%	7%	12%	12%	9%	14%
Very concerned	2%	1%	5%	2%	1%	1%	2%	2%	1%	2%	1%	3%	3%	6%	10%	1%	2%	1%	1%	1%	2%	2%
Very/Quite confident	58%	59%	48%	66%	62%	62%	42%	57%	61%	67%	52%	36%	52%	29%	56%	66%	68%	69%	67%	71%	66%	49%
Very/Quite concerned	14%	11%	21%	8%	9%	7%	15%	19%	7%	7%	12%	19%	18%	26%	36%	8%	8%	8%	13%	13%	11%	16%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Issues concerning investment performances (%)																						
Economic instability around the world	51%	49%	56%	42%	49%	45%	58%	55%	46%	45%	49%	45%	54%	64%	61%	55%	49%	43%	51%	53%	49%	53%
Trade wars (between countries)	46%	44%	51%	36%	46%	49%	47%	47%	40%	42%	46%	42%	53%	53%	55%	53%	38%	48%	37%	45%	44%	48%
Political instability around the world	46%	47%	46%	35%	46%	51%	50%	51%	46%	47%	47%	39%	43%	56%	54%	40%	40%	41%	46%	47%	43%	49%
Inflation	42%	36%	47%	43%	38%	33%	41%	48%	27%	25%	33%	37%	57%	28%	59%	51%	35%	45%	55%	55%	47%	37%
Global stock market volatility	42%	38%	46%	39%	40%	33%	44%	43%	33%	37%	37%	42%	51%	34%	61%	44%	43%	42%	38%	46%	43%	41%
Economic instability in your home market	41%	38%	45%	41%	38%	26%	58%	49%	20%	36%	31%	33%	40%	52%	56%	45%	35%	36%	55%	50%	42%	40%
Low interest rates/yields	39%	40%	37%	48%	38%	43%	42%	48%	37%	27%	42%	24%	38%	38%	52%	34%	42%	33%	43%	43%	39%	40%
An increasing tax burden	39%	39%	38%	31%	48%	31%	52%	49%	35%	31%	37%	23%	39%	45%	48%	36%	35%	35%	49%	38%	41%	37%
Political instability in your own country	37%	35%	34%	34%	30%	28%	52%	52%	20%	36%	28%	28%	32%	30%	53%	25%	29%	41%	56%	47%	38%	36%
Cost of health insurance	36%	30%	39%	22%	35%	26%	27%	31%	46%	19%	35%	32%	53%	29%	44%	36%	46%	52%	37%	36%	37%	35%
Currency exchange rate volatility	34%	29%	43%	30%	32%	22%	29%	35%	28%	28%	26%	33%	37%	54%	53%	37%	26%	21%	38%	49%	39%	29%
Rising interest rates/yields	33%	28%	39%	28%	32%	18%	31%	39%	22%	26%	26%	33%	46%	39%	48%	28%	31%	33%	39%	43%	39%	27%
Cost of housing (rentals and mortgage rates)	30%	28%	31%	25%	31%	22%	24%	39%	27%	28%	28%	31%	43%	13%	41%	29%	31%	26%	29%	36%	38%	20%
Brexit outcome - The U.K.'s decision to leave the EU	29%	33%	26%	50%	30%	27%	28%	37%	25%	31%	39%	24%	28%	22%	37%	20%	24%	22%	27%	32%	33%	26%
The U.S.'s decision to withdraw from the 2015 Paris Climate Accord	29%	32%	24%	23%	37%	32%	32%	36%	32%	32%	35%	19%	24%	21%	35%	21%	22%	27%	26%	34%	31%	26%
Deflation	26%	25%	28%	24%	27%	19%	29%	33%	20%	21%	26%	21%	25%	24%	43%	29%	27%	23%	28%	31%	33%	20%
The end of quantitative easing (QE)	25%	22%	30%	19%	24%	18%	31%	28%	18%	18%	22%	27%	25%	30%	41%	26%	19%	18%	25%	30%	30%	20%
Increasing use of robo-advisors affecting market volatility	25%	24%	24%	20%	31%	20%	24%	32%	23%	19%	25%	20%	25%	15%	37%	25%	21%	21%	27%	33%	30%	19%
Other	8%	9%	7%	5%	8%	8%	10%	14%	13%	10%	8%	6%	6%	3%	16%	3%	7%	5%	10%	9%	10%	6%
I am not concerned about my investments	5%	6%	3%	6%	5%	8%	3%	2%	6%	11%	7%	5%	3%	4%	2%	2%	6%	6%	3%	2%	4%	6%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

LEGG MASON
GLOBAL ASSET MANAGEMENT

APPENDICES

	Global	Europe	Asia	U.K.	France	Germany	Italy	Spain	Switzerland	Sweden	Belgium	Hong Kong	Singapore	Japan	Taiwan	China	Australia	U.S.	Brazil	Mexico	Millennials (18-36years old)	Baby Boomers (51-70years old)
LEGG MASON GLOBAL INVESTORS STUDY 2018																						
	16,810	7,810	5,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	810	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	6,339	4,962
Important criteria when selecting investments																						
Cost/amount of fees	41%	44%	40%	41%	45%	47%	40%	39%	47%	53%	42%	51%	39%	50%	30%	29%	44%	38%	43%	25%	34%	48%
Projected returns will meet my investment goals	35%	33%	39%	27%	29%	41%	30%	36%	37%	31%	35%	44%	42%	28%	41%	41%	28%	32%	32%	39%	32%	37%
Performance track record of the fund	29%	26%	30%	34%	26%	23%	12%	32%	23%	31%	28%	21%	40%	24%	37%	30%	36%	38%	33%	31%	27%	31%
Investment approach (e.g, value, growth or dividend paying companies)	25%	21%	31%	21%	17%	26%	20%	21%	22%	25%	19%	33%	36%	22%	30%	36%	28%	32%	17%	24%	27%	25%
Advice from a professional advisor	25%	26%	19%	24%	29%	18%	37%	32%	20%	17%	32%	17%	22%	12%	23%	21%	24%	33%	28%	32%	23%	26%
The provision of easy to understand information	24%	24%	28%	23%	22%	25%	27%	18%	25%	25%	24%	20%	19%	48%	27%	24%	22%	13%	22%	17%	20%	27%
Reputation of investment management company	22%	20%	20%	22%	22%	17%	28%	23%	16%	13%	18%	19%	23%	11%	19%	29%	22%	23%	36%	30%	25%	19%
Tax efficiency/management of the investment strategy	16%	18%	11%	19%	21%	12%	26%	22%	15%	14%	17%	10%	9%	9%	15%	11%	20%	16%	21%	19%	17%	14%
The active management of my investments based on decisions by an expert/team of experts	16%	15%	14%	17%	14%	15%	17%	15%	13%	15%	18%	13%	14%	11%	16%	18%	16%	19%	16%	23%	18%	15%
Country/region to be invested in	15%	17%	15%	17%	15%	17%	18%	13%	27%	15%	14%	15%	19%	14%	16%	10%	18%	8%	11%	14%	16%	16%
The investments/companies reflect my own personal values	14%	14%	12%	14%	16%	14%	13%	12%	18%	16%	11%	13%	10%	10%	15%	14%	13%	14%	11%	19%	17%	11%
Brand of investment management company	11%	10%	14%	11%	11%	10%	12%	13%	8%	5%	8%	13%	11%	8%	14%	21%	9%	10%	13%	12%	15%	7%
None of these	1%	1%	2%	2%	1%	1%	0%	1%	1%	2%	1%	1%	1%	6%	0%	0%	1%	1%	0%	1%	1%	2%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Sources for making investment decisions																						
Own research on the internet	64%	60%	65%	68%	60%	69%	53%	64%	60%	56%	49%	61%	72%	57%	69%	68%	64%	64%	74%	76%	70%	57%
A professional financial advisor	48%	48%	37%	48%	56%	41%	65%	61%	36%	28%	51%	32%	42%	15%	44%	51%	48%	67%	60%	78%	58%	39%
Mainstream news/media organizations	42%	36%	48%	43%	37%	39%	39%	33%	35%	33%	30%	57%	44%	40%	44%	54%	37%	36%	48%	55%	51%	33%
An app on mobile device	35%	26%	44%	30%	28%	24%	25%	32%	24%	26%	20%	50%	33%	20%	53%	64%	28%	32%	52%	53%	53%	16%
Online forums, blogs or alternative media	33%	29%	35%	34%	31%	28%	30%	35%	24%	29%	19%	34%	38%	16%	40%	49%	30%	29%	47%	46%	49%	15%
Family, friends or colleagues	33%	30%	34%	36%	35%	31%	25%	33%	30%	29%	21%	42%	34%	13%	35%	45%	32%	34%	37%	43%	48%	18%
Subscription-based financial media, e.g, The Wall Street Journal	32%	27%	32%	28%	31%	29%	28%	29%	24%	19%	26%	31%	29%	16%	39%	46%	29%	37%	41%	56%	46%	17%
An online platform or "robo-advisor"	25%	22%	26%	26%	26%	22%	22%	19%	18%	22%	17%	24%	18%	10%	32%	44%	24%	26%	36%	39%	40%	10%
Reasons to invest																						
Savings for an emergency	57%	58%	52%	56%	54%	61%	60%	59%	57%	54%	64%	48%	64%	50%	47%	50%	56%	60%	65%	64%	47%	67%
Financially comfortable life during retirement	50%	47%	53%	44%	43%	48%	50%	52%	52%	46%	41%	56%	65%	46%	55%	44%	42%	52%	60%	62%	48%	51%
Financially comfortable life now	48%	45%	47%	50%	44%	30%	49%	47%	38%	57%	48%	33%	55%	55%	44%	46%	53%	54%	59%	50%	43%	54%
Being free to do whatever you want	43%	44%	42%	43%	45%	47%	26%	40%	52%	56%	45%	32%	53%	30%	50%	48%	46%	44%	45%	32%	39%	48%
Family never worries about money again	34%	29%	45%	26%	37%	26%	33%	28%	26%	25%	37%	44%	41%	40%	48%	51%	24%	27%	31%	36%	37%	31%
Children don't have to pay for my expenses in my retirement	33%	33%	32%	32%	34%	30%	32%	37%	30%	32%	37%	26%	37%	24%	35%	37%	32%	36%	35%	39%	30%	34%
Healthcare costs	29%	22%	32%	23%	21%	21%	23%	25%	24%	15%	27%	33%	49%	14%	31%	34%	30%	43%	37%	42%	29%	29%
Inheritance for family/loved ones	24%	25%	19%	31%	34%	19%	32%	21%	16%	21%	23%	19%	24%	20%	19%	13%	29%	30%	34%	26%	24%	25%
Education costs	18%	13%	19%	12%	16%	10%	15%	22%	15%	8%	9%	18%	19%	8%	25%	25%	12%	16%	30%	43%	25%	8%
Paying off or reducing mortgage	18%	18%	15%	19%	17%	17%	12%	19%	22%	24%	15%	13%	26%	7%	20%	11%	22%	22%	16%	17%	20%	13%
Getting a deposit to buy own home	15%	14%	17%	11%	17%	14%	14%	14%	18%	16%	11%	27%	16%	5%	25%	11%	17%	9%	18%	16%	25%	6%
Living extravagantly or paying for a non-essentials	14%	12%	17%	16%	12%	10%	18%	9%	10%	13%	8%	16%	17%	17%	17%	21%	18%	12%	12%	12%	19%	9%
Supporting a company/local community	11%	8%	12%	11%	11%	7%	6%	8%	9%	8%	7%	9%	11%	8%	13%	21%	15%	12%	12%	14%	17%	5%
Other	2%	2%	1%	1%	2%	1%	1%	2%	3%	3%	2%	1%	1%	3%	1%	0%	1%	2%	2%	1%	1%	2%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

APPENDICES

	Global	Europe	Asia	U.K.	France	Germany	Italy	Spain	Switzerland	Sweden	Belgium	Hong Kong	Singapore	Japan	Taiwan	China	Australia	U.S.	Brazil	Mexico	Millennials (18-36years old)	Baby Boomers (51-70years old)
LEGG MASON GLOBAL INVESTORS STUDY 2018																						
	16,810	7,810	5,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	810	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	6,339	4,962
Sacrifice in order to invest more money																						
A daily shop-bought coffee	38%	33%	38%	45%	21%	35%	30%	28%	35%	49%	22%	36%	41%	29%	42%	43%	48%	53%	44%	47%	43%	34%
A trip to the cinema/theatre, once a month	37%	32%	41%	39%	30%	30%	30%	26%	33%	43%	26%	40%	50%	39%	44%	31%	40%	48%	37%	44%	41%	33%
A daily shop-bought lunch	35%	35%	23%	43%	20%	38%	37%	27%	37%	50%	26%	23%	29%	18%	22%	24%	50%	51%	57%	34%	37%	33%
Drinks with friends/family, once a month	32%	25%	35%	30%	22%	19%	23%	30%	16%	39%	19%	32%	39%	26%	46%	33%	37%	43%	40%	52%	39%	25%
A meal out, once a month	31%	29%	29%	32%	36%	18%	34%	27%	23%	39%	24%	31%	34%	25%	30%	27%	34%	40%	37%	37%	36%	27%
None of these	20%	26%	19%	20%	29%	29%	21%	31%	24%	17%	39%	17%	17%	29%	7%	24%	17%	15%	9%	5%	8%	34%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Use of significant lump sum																						
Use for short-term investments	51%	41%	64%	39%	41%	37%	54%	55%	34%	29%	44%	62%	68%	55%	63%	71%	42%	38%	69%	73%	53%	48%
Top up pension/retirement savings	42%	41%	39%	44%	36%	43%	45%	45%	40%	47%	29%	40%	40%	18%	51%	44%	43%	49%	53%	44%	37%	47%
Go on holiday	30%	31%	34%	32%	37%	32%	26%	29%	29%	36%	31%	27%	32%	47%	23%	39%	30%	22%	21%	21%	28%	33%
Spend on property, e.g, apply for mortgage/pay off some of existing mortgage/buy a property outright	28%	29%	25%	26%	36%	28%	25%	29%	32%	30%	28%	26%	27%	10%	30%	32%	26%	27%	29%	43%	37%	18%
Use for living expenses	19%	16%	25%	15%	17%	13%	13%	14%	18%	20%	21%	22%	29%	24%	24%	24%	18%	22%	16%	14%	22%	17%
Pay off debts (other than a mortgage)	17%	15%	12%	20%	12%	14%	12%	15%	13%	23%	9%	10%	21%	5%	15%	10%	27%	32%	19%	27%	20%	13%
Give to a good cause, e.g, charity	15%	13%	16%	17%	12%	14%	12%	7%	16%	12%	10%	14%	25%	8%	17%	16%	15%	25%	12%	13%	18%	12%
Buy a car	15%	16%	11%	20%	20%	17%	13%	16%	11%	19%	13%	7%	8%	16%	12%	15%	19%	18%	15%	14%	17%	13%
Give as a gift to friends/family	13%	15%	11%	21%	25%	13%	7%	6%	13%	17%	18%	10%	12%	12%	10%	10%	21%	18%	7%	6%	15%	13%
Other	4%	5%	4%	4%	4%	4%	2%	4%	6%	6%	8%	1%	3%	10%	2%	1%	3%	4%	4%	2%	3%	5%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Confidence about having enough money for a comfortable life throughout retirement																						
Very confident	17%	17%	11%	29%	14%	18%	10%	11%	17%	22%	11%	8%	9%	5%	17%	16%	20%	32%	30%	24%	24%	11%
Quite confident	41%	42%	40%	45%	45%	45%	31%	47%	42%	38%	44%	32%	44%	31%	41%	53%	46%	40%	38%	44%	42%	42%
Neither confident nor concerned	24%	26%	27%	17%	27%	26%	40%	14%	28%	25%	29%	44%	28%	32%	9%	23%	21%	16%	20%	16%	20%	28%
Quite concerned	13%	13%	15%	7%	13%	9%	16%	24%	12%	10%	14%	13%	13%	21%	22%	8%	10%	10%	10%	15%	11%	15%
Very concerned	4%	3%	6%	3%	2%	2%	3%	4%	2%	4%	2%	3%	6%	11%	10%	1%	4%	2%	2%	2%	3%	4%
Very/Quite confident	59%	59%	51%	74%	59%	63%	42%	58%	59%	61%	55%	40%	53%	37%	59%	69%	66%	72%	68%	68%	66%	53%
Very/Quite concerned	17%	16%	22%	10%	15%	11%	19%	28%	13%	14%	16%	16%	19%	32%	32%	9%	14%	12%	12%	16%	14%	19%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Portfolio adjustments in reaction to financial market issues																						
Use multi-assets	32%	24%	41%	25%	29%	19%	35%	28%	18%	20%	20%	40%	36%	24%	52%	53%	26%	31%	44%	44%	36%	27%
Increase cash investments	31%	28%	38%	30%	32%	22%	27%	31%	28%	22%	28%	40%	41%	37%	41%	33%	36%	32%	27%	26%	31%	32%
Move money into something else, e.g, buy property	29%	30%	25%	27%	30%	35%	25%	29%	39%	28%	29%	28%	26%	11%	32%	31%	29%	19%	34%	49%	36%	24%
Invest more in equity funds	23%	19%	26%	16%	16%	27%	14%	23%	18%	25%	16%	28%	21%	27%	25%	27%	19%	21%	30%	36%	28%	17%
Use target maturity strategy	22%	17%	27%	17%	17%	12%	21%	26%	10%	17%	19%	24%	23%	14%	37%	38%	15%	17%	32%	35%	29%	15%
Increase alternative investments	19%	18%	18%	17%	18%	16%	24%	19%	17%	15%	14%	18%	18%	8%	18%	26%	18%	17%	26%	28%	25%	12%
Invest more in bonds	17%	15%	18%	20%	17%	14%	16%	15%	13%	13%	12%	21%	25%	14%	13%	20%	18%	20%	25%	19%	21%	13%
Other	2%	3%	2%	3%	3%	3%	1%	4%	5%	4%	3%	2%	2%	4%	1%	1%	2%	3%	2%	0%	1%	4%
I would not adjust my portfolio	14%	17%	10%	21%	15%	15%	15%	10%	15%	22%	21%	5%	7%	28%	5%	5%	22%	22%	5%	1%	5%	23%
Would adjust their portfolio	86%	83%	90%	79%	86%	85%	86%	90%	85%	78%	79%	95%	93%	72%	95%	96%	78%	79%	95%	99%	95%	77%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

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	Global	Europe	Asia	U.K.	France	Germany	Italy	Spain	Switzerland	Sweden	Belgium	Hong Kong	Singapore	Japan	Taiwan	China	Australia	U.S.	Brazil	Mexico	Millennials (18-36years old)	Baby Boomers (51-70years old)
LEGG MASON GLOBAL INVESTORS STUDY 2018																						
	16,810	7,810	5,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	810	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	6,339	4,962
Invest more in the following situations																						
Prolonged low (bank) interest rates	46%	42%	53%	45%	42%	46%	38%	43%	40%	42%	39%	56%	56%	45%	50%	61%	40%	43%	48%	50%	52%	40%
Increase in the value of my portfolio of 20%	41%	37%	43%	39%	40%	36%	45%	36%	32%	36%	32%	44%	41%	30%	46%	54%	34%	38%	49%	57%	50%	31%
Significant rises in inflation	39%	34%	48%	37%	33%	38%	33%	36%	32%	32%	28%	50%	47%	41%	47%	57%	32%	39%	41%	42%	46%	32%
Increased market volatility	35%	31%	39%	33%	33%	31%	35%	34%	26%	27%	26%	39%	40%	25%	41%	48%	30%	33%	41%	45%	44%	24%
A major global stock market crash	33%	30%	40%	32%	29%	30%	33%	30%	29%	31%	22%	39%	43%	32%	40%	46%	32%	33%	34%	31%	40%	25%
A fall in the value of my portfolio of 20%	32%	29%	35%	33%	30%	33%	28%	27%	25%	29%	23%	35%	33%	27%	35%	46%	29%	36%	36%	38%	40%	23%
Investors with income producing-investments																						
Have income-producing investments	88%	88%	86%	84%	89%	95%	89%	89%	93%	82%	86%	91%	88%	91%	88%	74%	84%	87%	93%	97%	90%	86%
Don't have income-producing investments	12%	12%	14%	16%	12%	5%	11%	11%	7%	18%	14%	9%	12%	9%	13%	26%	16%	13%	7%	3%	10%	14%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Average rate of return seeking to get on income-producing investments (Base:all those with income-producing investments)																						
Average (%)	7.4	6.5	7.7	7.2	6.7	6.0	5.6	6.0	5.8	8.2	6.4	8.4	7.1	7.4	6.7	9.1	8.1	8.4	9.2	9.0	8.0	6.7
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Actual rate of return getting on income-producing investments (Base:all those with income-producing investments)																						
Average (%)	6.12	5.43	6.23	6.6	5.6	5.2	4.4	5.1	4.8	6.8	5.1	6.8	5.8	5.2	6.0	7.7	7.2	7.7	7.2	7.2	6.9	5.3
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Difference	-1.2	-1.1	-1.5	-0.6	-1.1	-0.8	-1.2	-0.9	-1.0	-1.4	-1.3	-1.6	-1.3	-2.2	-0.7	-1.4	-0.9	-0.7	-2.0	-1.8	-1.1	-1.4
Allocation of assets used to produce income. AVERAGE % (Base:all those with income-producing investments)																						
Dividend-paying stocks	41.9	40.7	46.4	39.9	36.9	44.1	31.7	42.6	42.4	51.7	35.7	50.7	45.2	56.6	43.1	33.9	44.6	47.2	28.8	35.9	37.7	45.8
Bonds	22.6	22.6	21.8	25.0	24.2	19.8	36.5	19.2	18.8	13.1	24.5	18.8	22.3	19.7	20.0	29.6	14.6	21.9	30.7	25.4	24.5	20.9
Rental property	19.0	18.4	16.6	17.3	25.3	17.6	18.1	22.8	17.9	10.1	17.5	17.2	16.5	8.2	19.3	23.3	22.1	12.6	27.1	29.6	23.0	14.8
Other	16.5	18.3	15.2	17.8	13.6	18.6	13.8	15.4	20.9	25.1	22.3	13.2	15.9	15.5	17.6	13.3	18.8	18.3	13.4	9.1	14.7	18.5
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Expectations of my country's equity market throughout 2019																						
Increase significantly	16%	14%	14%	17%	24%	15%	13%	11%	11%	14%	11%	18%	10%	9%	12%	19%	16%	29%	21%	26%	24%	9%
Increase a little	44%	46%	43%	35%	46%	49%	40%	47%	54%	51%	46%	39%	48%	36%	41%	50%	40%	37%	44%	47%	44%	45%
Remain constant	26%	28%	26%	28%	25%	27%	30%	29%	29%	23%	32%	19%	28%	48%	21%	12%	33%	21%	22%	18%	21%	31%
Decrease a little	10%	10%	13%	16%	4%	8%	14%	10%	6%	10%	9%	16%	10%	5%	20%	12%	9%	11%	10%	7%	8%	12%
Decrease significantly	3%	2%	5%	4%	1%	1%	4%	4%	1%	2%	2%	9%	4%	2%	6%	6%	2%	3%	3%	2%	3%	4%
Increase significantly/a little	60%	60%	56%	52%	70%	64%	52%	58%	64%	65%	57%	56%	58%	46%	53%	69%	56%	66%	65%	73%	68%	54%
Decrease significantly/a little	14%	12%	18%	20%	5%	9%	18%	13%	7%	12%	11%	24%	14%	7%	27%	18%	11%	14%	13%	9%	11%	15%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

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LEGG MASON GLOBAL INVESTORS STUDY 2018	Global	Europe	Asia	U.K.	France	Germany	Italy	Spain	Switzerland	Sweden	Belgium	Hong Kong	Singapore	Japan	Taiwan	China	Australia	U.S.	Brazil	Mexico	Millennials (18-36years old)	Baby Boomers (51-70years old)
	16,810	7,810	5,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	810	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	6,339	4,962
Expectations of the global equity market throughout 2019																						
Increase significantly	14%	13%	11%	14%	20%	10%	16%	12%	9%	13%	10%	13%	12%	11%	11%	9%	11%	18%	27%	25%	20%	9%
Increase a little	42%	43%	40%	39%	42%	43%	42%	44%	38%	49%	43%	33%	40%	39%	44%	43%	41%	39%	47%	42%	39%	44%
Remain constant	28%	28%	30%	33%	28%	28%	26%	32%	32%	21%	28%	28%	27%	43%	21%	32%	30%	26%	21%	25%	26%	30%
Decrease a little	13%	13%	15%	12%	7%	16%	13%	11%	18%	15%	15%	19%	17%	5%	19%	14%	15%	14%	5%	7%	12%	15%
Decrease significantly	3%	3%	4%	1%	2%	3%	3%	2%	3%	2%	4%	7%	4%	1%	5%	2%	3%	3%	1%	1%	2%	3%
Increase significantly/a little	56%	56%	51%	54%	62%	53%	58%	56%	48%	62%	53%	46%	52%	50%	55%	52%	52%	57%	74%	67%	59%	53%
Decrease significantly/a little	16%	16%	19%	13%	9%	19%	16%	13%	21%	17%	19%	26%	21%	7%	24%	16%	18%	17%	6%	8%	14%	17%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Views on market volatility																						
It is a positive thing - if managed properly, returns can be higher than usual	36%	29%	40%	38%	27%	30%	27%	31%	28%	28%	24%	35%	47%	17%	56%	45%	38%	42%	45%	52%	46%	26%
Not particularly positive or negative	37%	40%	37%	37%	40%	53%	32%	32%	47%	37%	40%	46%	35%	46%	24%	35%	37%	34%	32%	32%	37%	38%
It is a negative thing, as it represents risks to investments	18%	21%	13%	18%	23%	14%	33%	33%	16%	10%	21%	15%	13%	7%	13%	16%	18%	19%	19%	14%	13%	22%
I don't understand enough about it	9%	10%	10%	7%	10%	4%	8%	5%	8%	26%	15%	4%	5%	30%	7%	4%	7%	6%	4%	2%	4%	14%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Selecting funds or companies to invest in according to ESG considerations																						
Yes	49%	44%	54%	40%	46%	41%	47%	44%	46%	45%	41%	52%	36%	38%	73%	69%	43%	38%	59%	72%	66%	32%
No	51%	56%	46%	61%	54%	59%	53%	56%	55%	55%	59%	48%	64%	62%	27%	31%	57%	62%	41%	28%	34%	68%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Most important ESG considerations (Base:all those who consider ESG factors)																						
Environmental	31%	39%	21%	37%	46%	43%	34%	32%	44%	36%	44%	24%	24%	25%	20%	14%	30%	35%	35%	31%	32%	32%
Social	21%	21%	19%	24%	18%	21%	16%	24%	19%	27%	20%	25%	15%	12%	16%	24%	19%	26%	22%	29%	26%	13%
Governance	20%	18%	24%	21%	17%	21%	25%	18%	14%	16%	13%	27%	30%	38%	21%	13%	27%	16%	20%	18%	22%	16%
They are all equally important	27%	22%	36%	18%	18%	16%	26%	26%	24%	22%	23%	24%	30%	25%	42%	49%	24%	23%	23%	22%	20%	39%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

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	Global	Europe	Asia	U.K.	France	Germany	Italy	Spain	Switzerland	Sweden	Belgium	Hong Kong	Singapore	Japan	Taiwan	China	Australia	U.S.	Brazil	Mexico	Millennials (18-36years old)	Baby Boomers (51-70years old)
LEGG MASON GLOBAL INVESTORS STUDY 2018																						
	16,810	7,810	5,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	810	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	6,339	4,962
Agreement with ESG statements																						
Investment fund managers should be actively involved in "policing" the companies they invest in, to ensure they are acting responsibly	89%	89%	89%	87%	91%	86%	93%	92%	88%	89%	84%	88%	89%	80%	94%	94%	88%	84%	95%	97%	91%	88%
I would like to learn more about ESG and sustainable investing	83%	80%	84%	75%	84%	77%	89%	89%	74%	80%	76%	80%	86%	70%	90%	93%	79%	74%	94%	95%	89%	76%
ESG funds won't generate investment returns as high as other investments, as they will be limited to which companies they can invest in	80%	80%	79%	84%	80%	80%	76%	85%	78%	79%	76%	84%	83%	63%	85%	80%	80%	81%	83%	86%	83%	76%
Having my money in funds that only invest in responsible companies is really important to me	80%	76%	84%	70%	77%	73%	82%	84%	78%	78%	68%	84%	77%	79%	91%	89%	75%	72%	88%	93%	86%	73%
I would be willing to extend the period which it would take to achieve my goals in favor of investing in investments that reflect only my personal values	79%	77%	83%	72%	81%	72%	85%	81%	76%	72%	71%	83%	80%	69%	92%	91%	73%	68%	87%	91%	87%	70%
I would like to move some of my investments into funds that take ESG considerations into account when selecting securities.	76%	74%	76%	71%	81%	74%	81%	79%	73%	70%	66%	77%	77%	55%	85%	88%	72%	66%	83%	91%	85%	65%
ESG and sustainability will be less important when markets start to fall	72%	73%	70%	78%	71%	74%	65%	78%	72%	74%	70%	81%	78%	62%	69%	63%	73%	74%	71%	80%	77%	67%
I would happily pay slightly higher investments fees to be sure my money was only invested in responsible companies	70%	67%	73%	65%	67%	65%	71%	70%	69%	67%	60%	74%	65%	53%	83%	89%	66%	63%	78%	87%	82%	57%
The U.S.'s decision to withdraw from the 2015 Paris climate accord has changed my view on sustainable investing	62%	59%	65%	58%	58%	60%	61%	68%	53%	55%	56%	72%	60%	54%	73%	69%	56%	50%	65%	80%	74%	48%
Most important areas a fund manager to consider, when thinking about the impact of a company's activities?																						
Effect on their local environment (e.g, pollution from operations, use of sustainable resources, impact of activities on ecosystems)	38%	37%	42%	34%	34%	40%	40%	35%	44%	34%	34%	35%	37%	40%	47%	50%	40%	31%	37%	39%	38%	38%
Treatment of their company's workforce (e.g, human rights, pay gaps between management and other employees, health and safety standards)	37%	37%	34%	42%	34%	40%	36%	31%	43%	34%	38%	31%	38%	35%	34%	34%	45%	40%	32%	36%	35%	39%
Effect on global climate change (e.g, managing their carbon footprint, water conservation)	34%	36%	32%	31%	35%	42%	35%	36%	40%	37%	35%	31%	30%	32%	38%	31%	31%	31%	30%	33%	32%	36%
Enforcing an effective anti-corruption or anti-bribery policy	33%	34%	28%	34%	32%	33%	34%	39%	31%	40%	35%	28%	40%	25%	24%	26%	34%	38%	38%	38%	29%	39%
Making a concerted effort to improve their environmental and social impact	33%	30%	36%	29%	29%	26%	30%	37%	27%	32%	30%	30%	32%	38%	41%	40%	28%	30%	37%	37%	32%	34%
Effect on their local community (e.g, community development, helping local schools, businesses or charities)	30%	28%	30%	28%	30%	25%	32%	34%	25%	22%	26%	27%	30%	29%	28%	38%	27%	32%	38%	35%	32%	27%
Not being involved with unhealthy or addictive products (e.g, tobacco, gambling, technology addiction in children)	29%	29%	30%	29%	28%	24%	33%	27%	28%	28%	34%	29%	34%	31%	32%	24%	32%	29%	28%	24%	25%	34%
Diversity of their company's workforce (e.g, gender, ethnicity, age, socio-economic)	20%	17%	22%	19%	22%	16%	17%	18%	15%	18%	12%	21%	23%	19%	21%	27%	24%	24%	27%	26%	26%	15%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

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LEGG MASON GLOBAL INVESTORS STUDY 2018																						
	16,810	7,810	5,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	810	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	6,339	4,962
Barriers to invest more in "sustainable investments"																						
Lack of information	29%	25%	30%	22%	30%	22%	29%	33%	22%	21%	24%	26%	37%	22%	30%	37%	31%	23%	40%	42%	30%	28%
Lack of advice	24%	21%	25%	21%	28%	21%	21%	27%	17%	16%	21%	23%	31%	15%	24%	32%	24%	19%	33%	37%	27%	22%
Investment returns won't be as good as other investments	23%	22%	24%	22%	24%	23%	20%	22%	20%	20%	21%	28%	26%	17%	21%	29%	27%	24%	20%	25%	25%	21%
Unsure which investments take a sustainable approach	23%	22%	25%	20%	15%	24%	18%	24%	24%	29%	18%	20%	28%	25%	27%	22%	24%	19%	29%	22%	22%	25%
Higher investment fees	22%	20%	23%	19%	28%	17%	19%	19%	17%	20%	21%	25%	28%	13%	22%	29%	22%	19%	27%	28%	27%	16%
Limited number of sustainable investments available	22%	20%	23%	18%	22%	22%	23%	22%	21%	15%	16%	25%	27%	11%	22%	32%	20%	16%	28%	32%	26%	18%
I just want to invest in products that will help me reach my goals as quickly as possible	21%	19%	21%	19%	19%	18%	21%	17%	15%	16%	23%	20%	29%	13%	22%	21%	23%	26%	22%	27%	23%	18%
Not an important consideration to me	15%	14%	17%	19%	14%	12%	11%	12%	12%	14%	17%	11%	19%	21%	17%	15%	18%	19%	13%	15%	16%	14%
It is just a short-term trend	12%	11%	14%	13%	19%	12%	8%	10%	10%	8%	9%	17%	16%	10%	12%	17%	12%	15%	12%	13%	16%	9%
I don't understand what sustainable investments are	11%	8%	15%	9%	12%	7%	9%	8%	7%	9%	8%	13%	15%	20%	15%	11%	9%	10%	9%	10%	12%	9%
Other	2%	2%	1%	1%	1%	2%	2%	2%	4%	3%	3%	1%	1%	4%	1%	0%	2%	2%	1%	1%	1%	3%
Nothing stops me from investing more in sustainable investments	13%	16%	8%	19%	11%	16%	14%	13%	20%	22%	15%	5%	7%	13%	5%	7%	17%	22%	9%	6%	7%	19%
Something stops them from investing more in sustainable investments	87%	84%	92%	81%	89%	84%	86%	87%	80%	78%	85%	95%	93%	87%	95%	93%	83%	78%	91%	95%	93%	81%
Lack of information, advice, not sure, don't understand	57%	53%	62%	50%	58%	52%	53%	62%	48%	50%	50%	59%	65%	54%	63%	67%	56%	46%	68%	71%	62%	53%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Agreement with the following statements																						
Personal customer service with "the human touch" can never be replaced with technology	70%	70%	64%	73%	69%	67%	67%	77%	69%	69%	69%	59%	70%	54%	67%	71%	75%	81%	74%	79%	67%	74%
In general, technology-led innovations aren't something that can be avoided and the world of investment management should embrace it	64%	59%	67%	59%	66%	55%	60%	68%	54%	56%	54%	59%	70%	61%	69%	77%	61%	65%	73%	80%	68%	59%
I would feel nervous if there wasn't a human available to talk to about managing my investments	58%	61%	47%	68%	67%	50%	66%	70%	51%	56%	59%	36%	58%	30%	53%	56%	70%	74%	61%	69%	59%	59%
The role of professional financial advisors is being replaced by online tools and apps	54%	51%	53%	56%	59%	39%	40%	70%	38%	59%	44%	53%	59%	37%	60%	56%	56%	58%	71%	72%	61%	47%
I would like to manage all my personal finance, including banking and investments, in the same app on my smart phone/mobile device	52%	46%	56%	46%	49%	42%	47%	56%	43%	48%	34%	54%	57%	28%	72%	69%	43%	42%	73%	77%	66%	35%
Recent volatility in global stock markets can be attributed to robo-advisors reacting automatically	44%	42%	43%	45%	48%	38%	40%	56%	30%	43%	37%	39%	43%	42%	44%	46%	43%	46%	52%	61%	52%	36%

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LEGG MASON GLOBAL INVESTORS STUDY 2018																						
	16,810	7,810	5,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	810	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	6,339	4,962
Most important when selecting a robo-adviso																						
Price/fees	20%	20%	20%	19%	21%	22%	16%	17%	25%	21%	22%	26%	25%	27%	15%	9%	23%	20%	19%	12%	18%	21%
Ease of use	18%	18%	17%	15%	18%	17%	24%	16%	21%	16%	15%	16%	18%	26%	17%	10%	16%	16%	22%	20%	16%	19%
Fee transparency/simplicity	14%	13%	15%	10%	13%	12%	19%	14%	12%	8%	13%	14%	16%	11%	21%	16%	9%	10%	18%	16%	15%	12%
Range of investment products available	10%	10%	10%	10%	7%	12%	11%	10%	8%	11%	9%	11%	9%	7%	9%	16%	9%	11%	11%	14%	11%	10%
Links to financial advice firms	6%	6%	6%	7%	8%	5%	4%	8%	4%	4%	7%	6%	7%	2%	7%	7%	9%	7%	4%	9%	8%	5%
Brand of investment manager	6%	5%	7%	7%	5%	5%	5%	6%	4%	4%	4%	5%	5%	4%	7%	14%	6%	6%	4%	7%	7%	4%
Amount of client money they already manage	6%	5%	6%	6%	5%	5%	4%	6%	5%	6%	4%	6%	5%	2%	8%	10%	4%	5%	8%	8%	8%	4%
Range of asset classes available	5%	4%	7%	5%	5%	5%	3%	4%	4%	5%	3%	6%	5%	4%	10%	10%	4%	3%	7%	9%	7%	3%
Links to product providers	3%	3%	4%	3%	4%	3%	3%	4%	3%	2%	3%	4%	3%	1%	3%	6%	4%	4%	2%	3%	5%	2%
Other	1%	1%	1%	2%	1%	2%	1%	1%	1%	2%	1%	1%	1%	1%	0%	1%	1%	2%	1%	1%	1%	2%
Don't know	11%	15%	6%	16%	14%	13%	10%	14%	13%	22%	18%	4%	6%	15%	4%	2%	16%	17%	5%	2%	4%	19%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Agreement with the following statements																						
I would expect a company like Amazon to be competitive on pricing if it started offering its own funds	69%	65%	70%	70%	67%	63%	77%	71%	61%	56%	51%	63%	64%	71%	76%	78%	68%	74%	83%	81%	71%	67%
I would trust a company like Amazon to be able to sell funds and other investments	56%	49%	61%	50%	47%	49%	66%	62%	40%	45%	28%	55%	49%	53%	71%	79%	43%	51%	82%	74%	65%	43%
I would buy funds from an online company, like Amazon, not primarily known for providing investments (assuming fees, terms, projected returns all satisfactory)?	53%	47%	57%	49%	49%	44%	61%	60%	35%	40%	31%	44%	42%	48%	73%	80%	41%	46%	75%	73%	63%	40%
I trust Amazon and other providers such as eBay more than financial services companies	42%	33%	50%	40%	33%	29%	53%	44%	21%	25%	21%	41%	36%	48%	61%	64%	37%	38%	53%	62%	55%	26%
Answered "Yes" to all	26%	20%	33%	22%	19%	13%	38%	32%	8%	12%	10%	20%	20%	32%	45%	48%	21%	25%	38%	42%	32%	17%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Criteria to increase or generate trust in a financial advisor																						
Transparency - no hidden fees or missing information	52%	51%	51%	49%	50%	51%	55%	52%	56%	49%	50%	45%	63%	37%	52%	58%	54%	54%	62%	54%	51%	54%
A good reputation, professional qualifications or experience	51%	45%	52%	53%	41%	49%	41%	46%	44%	45%	40%	50%	56%	32%	53%	69%	61%	61%	65%	58%	55%	48%
Strong investment performance	47%	42%	51%	47%	36%	42%	46%	41%	35%	56%	34%	50%	59%	48%	40%	59%	50%	59%	51%	48%	47%	48%
Enough "easy-to-understand" information is provided	42%	37%	49%	41%	36%	40%	35%	37%	32%	33%	42%	41%	51%	55%	49%	47%	46%	43%	48%	45%	42%	43%
Personalized/tailored investment advice, based on meeting you in person is provided	41%	39%	39%	37%	42%	36%	47%	38%	38%	33%	44%	33%	44%	28%	43%	49%	43%	49%	39%	48%	43%	38%
Easy online access to view/manage your investments is provided	38%	35%	37%	36%	38%	32%	43%	28%	35%	36%	31%	37%	44%	24%	39%	43%	41%	42%	45%	45%	41%	34%
Recommended by friends, family or colleagues	27%	24%	28%	33%	20%	25%	13%	22%	29%	30%	21%	37%	34%	11%	20%	35%	36%	34%	32%	32%	34%	20%
None of these	5%	6%	5%	8%	4%	8%	3%	3%	4%	10%	4%	5%	3%	13%	2%	3%	9%	7%	1%	1%	2%	10%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

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	Global	Europe	Asia	U.K.	France	Germany	Italy	Spain	Switzerland	Sweden	Belgium	Hong Kong	Singapore	Japan	Taiwan	China	Australia	U.S.	Brazil	Mexico	Millennials (18-36years old)	Baby Boomers (51-70years old)
LEGG MASON GLOBAL INVESTORS STUDY 2018																						
	16,810	7,810	5,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	810	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	6,339	4,962
Level of investment knowledge																						
Expert - I know a lot and don't need to know any more	7%	8%	4%	14%	10%	9%	7%	2%	6%	9%	4%	4%	5%	2%	6%	4%	14%	15%	5%	5%	12%	2%
Advanced - I know more than most people but could know more	26%	28%	18%	28%	33%	40%	28%	24%	29%	19%	22%	21%	22%	9%	20%	17%	26%	31%	34%	32%	30%	20%
Intermediate - I know enough to effectively manage my investments	44%	44%	46%	43%	39%	39%	47%	53%	45%	41%	43%	49%	47%	38%	48%	48%	41%	36%	47%	51%	42%	47%
Rudimentary - I only know basics, could do with knowing more	20%	18%	28%	13%	16%	11%	18%	18%	17%	26%	23%	24%	22%	40%	25%	30%	15%	15%	13%	11%	14%	26%
Beginner - I don't know much at all	3%	3%	4%	2%	3%	2%	1%	2%	3%	5%	7%	2%	3%	11%	1%	1%	3%	3%	2%	1%	2%	5%
Expert/Advanced	33%	36%	22%	42%	42%	49%	35%	26%	35%	28%	26%	25%	28%	11%	26%	21%	40%	46%	39%	37%	42%	23%
Intermediate	44%	44%	46%	43%	39%	39%	47%	53%	45%	41%	43%	49%	47%	38%	48%	48%	41%	36%	47%	51%	42%	47%
Beginner/Rudimentary	23%	21%	32%	15%	19%	12%	18%	21%	20%	31%	31%	26%	25%	52%	26%	31%	18%	18%	14%	12%	16%	30%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Understanding of investment terms																						
Low-risk vs high-risk investments	97%	96%	96%	97%	94%	96%	99%	98%	97%	95%	96%	97%	98%	94%	96%	96%	96%	97%	98%	98%	96%	97%
Active vs passive investments	86%	86%	85%	80%	87%	87%	86%	90%	89%	85%	87%	91%	92%	64%	86%	90%	85%	86%	90%	96%	92%	80%
Exchange-traded funds (ETFs)	79%	76%	83%	67%	76%	80%	81%	84%	69%	85%	61%	86%	82%	77%	83%	88%	67%	82%	87%	93%	87%	71%
Crypto-currencies	75%	77%	69%	75%	76%	85%	80%	84%	83%	67%	68%	85%	72%	46%	72%	71%	69%	67%	84%	92%	86%	62%
ESG or sustainable investing	70%	74%	62%	70%	77%	79%	71%	76%	73%	69%	78%	75%	63%	42%	61%	69%	68%	62%	73%	87%	81%	59%
Robo-advisors	66%	58%	74%	66%	67%	60%	53%	58%	46%	59%	49%	79%	70%	66%	72%	81%	56%	75%	71%	90%	80%	51%
Agreement with the following statements?																						
It is important to me to review my investments regularly	85%	83%	88%	86%	80%	79%	88%	88%	78%	81%	81%	87%	89%	78%	94%	89%	85%	88%	93%	88%	84%	87%
I am personally very involved in all decisions made about my investments	82%	80%	84%	83%	77%	80%	87%	84%	77%	75%	77%	80%	86%	80%	90%	86%	78%	78%	91%	86%	80%	83%
I am saving/investing for a specific goal (e.g, retirement income, buying property, regular income, children's education costs)	77%	73%	80%	73%	80%	71%	74%	75%	70%	71%	68%	82%	87%	60%	89%	84%	71%	80%	83%	86%	80%	73%
My investment goals are primarily focused on long-term returns (e.g, for retirement income, leaving an inheritance) rather than short-term	75%	73%	77%	81%	72%	67%	70%	73%	68%	76%	73%	73%	81%	74%	80%	78%	82%	86%	71%	74%	74%	76%
I prefer simplified information regarding investments fees, with a single cost shown, not different elements broken down separately	71%	67%	74%	77%	74%	57%	65%	67%	58%	64%	74%	69%	79%	76%	76%	68%	73%	78%	74%	70%	68%	72%
I always pay a lot of attention to global stock markets (e.g, FTSE, DAX, NASDAQ, NIKKEI, S&P500)	60%	55%	63%	60%	60%	61%	64%	62%	50%	39%	43%	60%	59%	58%	68%	72%	53%	61%	71%	73%	67%	53%
I feel my financial decision making is still affected by the 2008 global financial crisis	48%	48%	49%	50%	56%	37%	57%	60%	36%	30%	59%	49%	48%	51%	52%	48%	45%	41%	49%	43%	48%	46%
I ignore most of the information I get sent about my investments, unless I really need it	42%	40%	52%	47%	41%	40%	30%	31%	39%	47%	43%	53%	53%	47%	69%	40%	42%	43%	24%	27%	42%	40%
I am not particularly interested in information about my investments unless it will potentially impact its return	41%	41%	46%	49%	47%	37%	29%	32%	38%	43%	54%	47%	54%	40%	55%	36%	48%	43%	26%	31%	42%	40%
The more information I receive about investing, the more confused I become	39%	34%	51%	44%	45%	32%	26%	30%	31%	30%	36%	54%	42%	58%	53%	46%	44%	37%	27%	30%	44%	33%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

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LEGG MASON GLOBAL INVESTORS STUDY 2018	Global	Europe	Asia	U.K.	France	Germany	Italy	Spain	Switzerland	Sweden	Belgium	Hong Kong	Singapore	Japan	Taiwan	China	Australia	U.S.	Brazil	Mexico	Millennials (18-36years old)	Baby Boomers (51-70years old)
	16,810	7,810	5,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	810	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	6,339	4,962
Influence of fund fees on investment decisions																						
A lot of influence	35%	31%	34%	36%	33%	30%	21%	31%	34%	36%	28%	34%	35%	35%	38%	28%	38%	37%	56%	42%	41%	28%
Some influence	57%	59%	60%	50%	57%	61%	69%	62%	57%	54%	61%	62%	59%	58%	55%	64%	50%	51%	42%	57%	54%	60%
No influence	8%	10%	6%	14%	10%	9%	10%	8%	9%	10%	11%	5%	6%	7%	6%	8%	12%	12%	2%	1%	4%	12%
Types of investments currently money invested in																						
Stocks and shares	66%	62%	80%	66%	58%	67%	48%	63%	72%	66%	57%	89%	80%	80%	78%	75%	73%	69%	56%	32%	64%	67%
Investment/Mutual funds, actively managed by a fund manager	41%	41%	38%	35%	31%	43%	50%	40%	33%	51%	46%	35%	42%	9%	49%	57%	40%	60%	33%	47%	43%	38%
Investment/Mutual funds, not actively managed but tracking a market index or portfolio	22%	24%	16%	22%	23%	24%	21%	21%	23%	32%	22%	21%	22%	7%	15%	13%	24%	37%	21%	20%	26%	15%
Investment Trusts	24%	15%	28%	25%	17%	9%	16%	7%	11%	20%	14%	16%	28%	57%	20%	17%	23%	18%	67%	49%	31%	18%
Corporate or Government bonds	20%	19%	24%	18%	22%	15%	36%	13%	15%	15%	17%	31%	34%	15%	13%	29%	18%	22%	19%	17%	24%	15%
Exchange-traded funds (ETF)	19%	17%	23%	14%	10%	22%	16%	13%	17%	31%	9%	27%	28%	11%	22%	27%	21%	27%	18%	16%	26%	13%
Pension - where you personally make at least some of the investment decisions about it, yourself	33%	36%	29%	49%	44%	13%	27%	37%	24%	56%	37%	37%	14%	21%	28%	46%	38%	27%	27%	31%	34%	31%
Pension - where somebody else (e.g, your company) makes all the investment decisions	19%	22%	15%	42%	17%	11%	11%	13%	21%	31%	26%	18%	9%	9%	16%	26%	21%	26%	15%	15%	19%	17%
Cash savings	70%	68%	73%	74%	71%	58%	58%	70%	67%	69%	78%	74%	83%	68%	71%	72%	73%	71%	72%	69%	63%	76%
Property - direct investment	31%	33%	24%	20%	36%	31%	40%	44%	37%	25%	33%	20%	24%	11%	28%	36%	36%	26%	44%	39%	31%	30%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Frequency of changes to investments																						
More often than once every 3 months	17%	15%	19%	15%	15%	14%	9%	13%	11%	29%	14%	19%	15%	29%	21%	11%	15%	22%	22%	14%	18%	16%
Once every 3-6 months	23%	21%	23%	22%	21%	19%	20%	23%	20%	22%	19%	24%	20%	16%	24%	29%	22%	21%	31%	30%	27%	18%
Once every 6-12 months	28%	28%	27%	28%	29%	30%	30%	30%	28%	20%	27%	27%	30%	21%	26%	33%	27%	28%	27%	34%	28%	28%
Once every 1-2 years	20%	22%	19%	23%	21%	22%	23%	22%	24%	18%	22%	19%	21%	17%	18%	21%	21%	18%	15%	16%	18%	22%
Once every 2-3 years	8%	9%	7%	7%	9%	11%	12%	8%	10%	8%	9%	6%	9%	10%	7%	4%	9%	6%	4%	4%	7%	9%
Once every 3-5 years	5%	6%	5%	6%	6%	5%	6%	4%	8%	4%	9%	4%	5%	8%	5%	2%	6%	4%	2%	2%	3%	7%
Average (times per year)	2.30	2.14	2.41	2.18	2.15	2.06	1.82	2.13	1.90	2.84	2.04	2.48	2.14	2.70	2.56	2.18	2.17	2.54	2.77	2.37	2.48	2.16
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Use of a financial advisor																						
Use for the majority/all decisions	43%	46%	33%	46%	52%	37%	57%	52%	39%	34%	50%	32%	36%	20%	39%	37%	45%	57%	43%	53%	50%	36%
Use sometimes	20%	19%	19%	15%	21%	21%	21%	21%	22%	15%	20%	18%	22%	17%	20%	19%	17%	15%	26%	29%	23%	16%
Do not use/use rarely	38%	35%	48%	40%	27%	42%	22%	27%	40%	52%	30%	51%	42%	64%	41%	45%	39%	28%	31%	17%	27%	48%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Age																						
18-24	7%	8%	4%	6%	10%	7%	6%	7%	10%	10%	7%	4%	4%	1%	6%	4%	5%	1%	12%	19%	19%	0%
25-34	25%	19%	30%	25%	20%	19%	15%	18%	17%	20%	17%	36%	29%	6%	34%	43%	28%	19%	31%	40%	65%	0%
35-44	23%	22%	28%	18%	25%	19%	25%	31%	21%	19%	15%	30%	31%	15%	33%	30%	16%	18%	26%	24%	16%	0%
45-54	17%	20%	17%	12%	19%	24%	24%	22%	21%	16%	20%	15%	22%	22%	17%	9%	11%	10%	12%	10%	0%	21%
55-64	15%	17%	13%	20%	15%	18%	17%	13%	16%	15%	22%	11%	10%	27%	9%	8%	17%	23%	14%	6%	0%	52%
65+	13%	15%	9%	19%	12%	13%	13%	8%	15%	21%	19%	3%	4%	30%	1%	7%	23%	30%	5%	2%	0%	28%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

SURVEY METHODOLOGY

The Legg Mason Global Investment Survey has been taking the pulse of investors worldwide for the past six years.

Market	Sample size
Total	N=16,810
United States	N=1,000
Europe (U.K., France, Spain, Italy, Germany, Switzerland, Belgium, Sweden)	N=7,810
Asia (Hong Kong, Singapore, Japan, Taiwan, China)	N=5,000
Latin America (Brazil, Mexico)	N=2,000
Australia	N=1,000

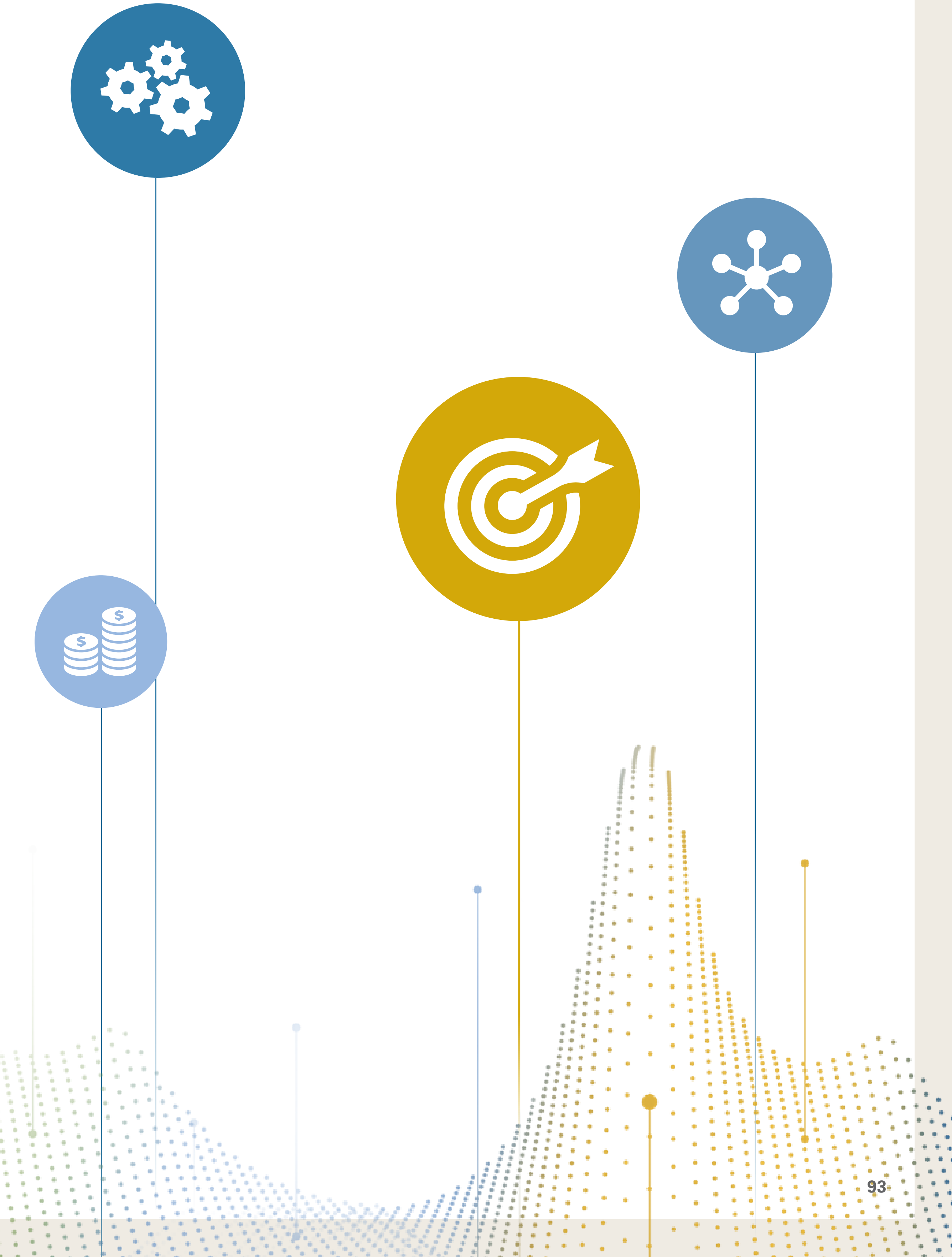
This year's survey was completed by 16,810 investors in 17 markets across Europe, Asia Pacific, Latin America and the U.S.-ensuring samples that are representative of investors of each market.

Respondents were aged 18-80+ and invested in the past and planning to invested at least €10,000 or the local equivalent, $50,000 in U.S.) in the next 12 months and who have made changes to their investments within the last 5 years. These individuals represent the views of investors in each market included in the survey.

Fieldwork was conducted through an online survey instead of panel between July 26 and August 24, 2018. There was a split between the generations of: 6,339 Millennials (18-36years old), 4,670 Generation X (37-50years old), 4,962 Baby Boomers (51-70years old) and 839 were of the age of 71+. 13,965 respondents used a financial advisor and 2,845 didn't (DIY investors). Legg Mason Global Asset Management commissioned Research Plus Ltd. to conduct the independent online survey.

Key findings

This year we found investors who increased their asset allocation and who are more open to investing in alternatives. They think that the human touch in customer service can't be replaced by technology and they feel cautiously optimistic about investment opportunities in next 12 months with only 14% being concerned. Twice as many investors feel volatility can have a positive effect if managed, compared to those who feel it represents a risk. Using a financial advisor helps investors to be more diversified. ESG becomes increasingly important with almost half of investors who said they choose funds according to ESG considerations. Millennials feel increasingly confident about a comfortable life in retirement, yet they only have 21% of their portfolio in equities.



LEGG MASON
GLOBAL ASSET MANAGEMENT

Investing to Improve Lives

Helping investors to meet their financial goals means going beyond a single asset class, geography or client type. Our community of nine independent affiliates, each with their own specialized expertise, provides an expanded range of actively managed strategies, products and vehicles with the agility to address changes in the markets and our clients' needs.

Brandywine GLOBAL

Global value investing
Pursuing value since 1986 across equity and fixed income, globally and in the U.S. The firm combines the agility of a boutique asset manager with the stability and resources of an industry leader.

CLARION PARTNERS

Real estate investment specialists
Clarion Partners is a leading private equity and debt real estate investment manager established in 1982. Clarion brings a clear understanding of market dynamics to real estate investment management across a broad range of strategies and property types in the Americas and aims to consistently create value for its clients.

ClearBridge Investments

Quality-focused equity
With a legacy dating back over 50 years, ClearBridge Investments is a leading global equity manager committed to delivering differentiated long-term results through authentic active management.

EnTrustPermal

Global Alternative Asset Manager
EnTrustPermal, one of the world's largest alternatives investors, has the scale and resources for innovation in a dynamic industry. EnTrustPermal is a global leader in structuring comprehensive alternative solutions for institutional, high net worth and retail clients.

MARTIN CURRIE

Active equity specialists
Martin Currie builds global, stock-driven portfolios based on fundamental research, devoting all of its resources to delivering optimum investment outcomes and superior client relationships.

QS Investors

Systematic investment solutions
QS Investors is a quantitative asset manager that provides multi-asset class and global equity solutions built on a deeper understanding of investment and human dynamics.

RARE

Global listed infrastructure investing
RARE is a specialized investment manager focused exclusively on global listed infrastructure. Established in 2006, RARE offers expertise across the infrastructure spectrum and aims to identify and invest in high-quality, listed infrastructure assets with the goal of delivering strong absolute returns over an investment cycle.

Royce&Associates

Small-cap equity
A pioneer in small-cap investing, Royce has unparalleled knowledge and experience in the asset class. Their talented group of managers offers distinct investment approaches that meet a variety of investor goals.

WESTERN ASSET

Global value fixed income
One of the world's leading global fixed-income managers. Founded in 1971, the firm is known for team management, proprietary research, supported by robust risk management, and a long-term fundamental value approach.

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