

Credit Suisse joins forces with YIO to launch Next Generation report

Credit Suisse partners with the Young Investors Organization (YIO) to publish a report dedicated to a generation on the cusp of inheriting the family legacy and the responsibility associated with it.

Singapore, May 15, 2019 – **“Creating a world with the Next Generation” is guided by the prevailing interests and concerns of the Next Generation revealed by a recent survey published in the report. The publication presents real life case studies of inter-generational challenges and solutions aimed at triggering an open dialogue, while also providing a toolkit to aid families at this critical juncture. It furthermore questions what this generational shift means for the wealth management industry.**

As the Next Generation faces the growing responsibility for their families’ legacies, “Creating a world with the Next Generation”, takes a close and honest look at their concerns, needs and ambitions, including what they expect from their wealth manager. The publication stems from more than a decade of collaboration between Credit Suisse and the YIO, a network of heirs to entrepreneurial families across the world. The survey, conducted recently among YIO members globally and included in the report, quantifies the Next Generation’s views in terms of family, business, wealth and legacy.

Highlights of “Creating a World with the Next Generation” include:

- **The Next Generation craves a greater flow of inter-generational dialogue.** Well over a half of those surveyed want to discuss wealth more openly (59%) and over two thirds (68%) say their families would benefit from more communications tools.
- **The majority of the Next Generation is interested but not invested in impact solutions.** The survey found that sustainable and impact investing is the asset class the Next Generation knows the least about, with 56% saying their knowledge of impact investing is poor and only 8% stating their knowledge is excellent.
- **The Next Generation will transform the role of the wealth manager from one based purely on financial know-how to including a broader “Network Orchestrator” role across all life stages.** 41% answered that they want a personal advisor to help identify or solve their non-financial needs. The number one quality a wealth manager should have according to the Next Generation is a “close relationship”. Only 4% noted that being digitally-savvy is key.
- **The Next Generation seek investment advice but want to make the final decisions themselves.** 63% see value working in an advisor for investment recommendations but want the power of the final approval when making financial decisions and 26% want to make their own investment decisions with validation from an advisor.
- **The Next Generation are interested in managing their family’s wealth.** A substantial 39% are actively managing their family’s wealth.
- **The Next Generation want to be involved in managing their family’s investments.** About two-thirds (63%) said that they are very interested and 34% are moderately interested.

- **The Next Generation have the know how to manage their family's wealth.** Almost half (46%) agree and 8% strongly agree that they have the knowledge and skills to successfully manage their family's wealth.

By Next Generation, the report refers to the inheriting generation, destined to take the reins of a business started by their parents, grandparents or earlier family members or those likely to inherit at least part of the wealth accumulated by previous generations.

Viola Steinhoff Werner, Head of Global Next Generation and Families at Credit Suisse, as well as Founder and General Manager of the YIO commented: "This is a generation with an ambition to create impact and one that wants to collaboratively create actionable solutions for the benefit of future generations. YIO was established in 2007 to support the Next Generation at important crossroads to become better family members, investors, entrepreneurs or social change makers. Credit Suisse's aim is to learn about the needs and wishes of the Next Generation in order to be the best partner it can be, both currently and in the future."

Through a compilation of articles, interviews and case studies with leading academics and wealth and investment experts, as well as with leading family business members, the report, "Creating a world with the Next Generation", aims to give the Next Generation a voice as they embark on transforming the meaning of wealth.

Commenting on their experiences, some of the next generation shared the following:

Siraarpa Siriviriyakul, CEO of Kaset Thai International Sugar Corporation Co., Ltd. (KTIS Group) – the largest listed sugar producer in Thailand, shared "I would like to live in a world where everyone takes responsibility and acts in the interests of the community and the environment. For example, if you have factories, you can't just think about running them to make profits for shareholders. You must also consider the interests of employees and the environment. You need to think about all your stakeholders and ensure the business is an integral part of society."

Febyan Rustandy, Head Marketing & Communications - PT Arwana Citramulia Tbk - Indonesia's largest ceramic tiles producer said, "My generation wants to use technology to be more efficient and strike a better work/life balance. I try to overcome this conflict through perseverance and grit. I think that's the only way to manage tensions. The important thing is that we share the same values and goals."

The report introduces a much-needed discussion in the wealth management industry about how to address the changing demands of its future clientele.

Iqbal Khan, CEO of International Wealth Management at Credit Suisse added: "We are soon going to see a handover from one generation to another. That means there will be a shift in what clients expect from banks, which will have a material impact on the services we provide. Understanding the Next Generation's wide-ranging views and needs and, in particular, their vision for the future is therefore key. We are working with the Next Generation to prepare for the future of wealth management."

Benjamin Cavalli, Head of Private Banking South Asia at Credit Suisse Private Banking Asia Pacific said, "In the Asia Pacific region, wealth is still largely generated and controlled by the first and second generation entrepreneurs, with the bulk of family wealth still sitting within the family business. As the **Entrepreneurs' Bank in Asia Pacific**, Credit Suisse is in a unique position to help clients

whose personal wealth is closely intertwined with their businesses, to navigate throughout all the phases of their private and corporate wealth cycle. The topic of the next generation, and how to transfer wealth from one generation to the next is becoming increasingly important as we will be soon be seeing a huge wave of intergenerational wealth transfer. As the trusted advisor to these families, we believe it is important to work with the next generation to equip them with the necessary tools to take over the management of their family wealth and most importantly to ensure that the investments they manage diversify away from the risks of their families' operating businesses in order to grow and preserve their wealth for future generations."

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"Creating a world with the Next Generation" is available at:

<https://www.credit-suisse.com/microsites/next-generation-and-families/en/next-gen/download-the-report.html>

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About Credit Suisse

Founded in 1856, Credit Suisse is one of the world's leading financial services providers with operations in about 50 countries and 46,200 employees from over 170 different nations. Our strategy builds on Credit Suisse's core strengths: Its position as a leading wealth manager, its specialist investment banking capabilities and its strong presence in its home market of Switzerland. It seeks to follow a balanced approach to wealth management, aiming to capitalize on both the large pool of wealth within mature markets as well as the significant growth in wealth in Asia Pacific and other emerging markets, while also serving key developed markets with an emphasis on Switzerland. This is also reflected in its efforts to promote the Next Generation.

As a leading wealth manager with strong investment banking capabilities, Credit Suisse focuses on building and developing relationships not only with the current generation that manages, creates and preserves wealth, but also with the Next Generation. Since the launch of its Next Generation Initiative in 2003, Credit Suisse has been a partner to an important need: Educating the Next Generation about wealth and training them to deal with the responsibility that comes with it. As a result, Credit Suisse has developed a suite of programs that provide financial education and peer-to-peer networking possibilities for the Next Generation. Since 2007, Credit Suisse has also been the main sponsor of the Young Investors Organization (YIO). Credit Suisse's aim as main sponsor of the YIO is to learn about the needs and wishes of the Next Generation in order to be the best partner it can be, both currently and in the future.

About the Young Investors Organization (YIO):

The Young Investors Organization (YIO) is a global organization consisting of the next generation of some of the world's most entrepreneurial families. The YIO works to help each other develop world-changing ideas and new businesses in order to build a more sustainable, prosperous and equitable world. It aims to provide a stimulating environment that promotes the bridging of mental, geographic and cultural barriers to encourage lifelong learning and collaboration across borders. The YIO joins forces to create actionable solutions for future generations, and believes in doing rather than just talking.

The YIO facilitates discussions about exceptional investment, business and social opportunities around the globe. The network's collective intelligence, commitment and passion to achieve common goals creates a sense

of family that helps members become better investors, successors and people. The YIO expects members to be passionate about helping them and others make a positive impact and believes in the power of long-term friendships and seek to learn through involvement and action. This makes the YIO a very personal experience, enriching the lives of its members, families and others. The organization is founded on four fundamental pillars: education, network, access and action.

About the survey

For “Creating a world with the Next Generation,” we surveyed over 200 Next Generation leaders from the Young Investors Organization (YIO) and their families in 2018. The respondents represent various generations in terms of the origins of their wealth (62% second generation; 30% third generation; 8% fourth generation or higher). 80% of respondents are between the ages of 24 and 42 (Gen Y: 1977 – 1995) and the remaining 20% are under the age of 23 (Gen Z: 1996 and later). The surveyed population was almost evenly split in terms of gender: 45% female and 55% male. The respondents are from across the globe, allowing us to identify both regional as well as global trends (Europe: 30.6%; Asia: 28.9%; Central and South America: 18.5%; the US: 15.3%; Africa: 4.8%; Australia: 1.6%).

The questionnaire used in the survey was developed based on research and the long-standing expertise of Credit Suisse and the YIO, with input from Sylvain Labs. In addition, during the project’s development phase in 2018, numerous expert discussions were held with the Next Generation from different regions across the world. The questionnaire is also the result of these discussions and input from comparable next generation reports.

The questionnaire centers around the five key questions analyzed in this publication: 1. What do I want to leave behind?; 2. How can we share information as a high-performing family?; 3. How do I want to do business?; 4. What does wealth mean to me?; and 5. How can I structure my legacy? These questions will be asked every year to provide a picture of developments over time. This is particularly important for assessing trends, and continuing to adapt how we work together as a bank and the Next Generation.

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