



Investment in Alternatives – art, antiques, wine, vintage autos and other collectibles – grows rapidly amongst UHNWs

A new report from Tulip Financial Research¹ based on a Tulip survey of Britain’s wealthiest (UHNWs, those with average liquid assets of £6 million plus) reveals that the popularity of alternative investments has grown rapidly since 2005. In just two years there has been a massive increase in the number of wealthy individuals choosing such investments, and in the level of liquid assets allocated to the alternative sector.

- **Since 2005 the the numbers of UHNWs investing in alternatives have grown from 14% to 26%, from just 19,000 Ultra HNWs to 35,000: an increase of 84% in two years.**
- **The allocation to alternatives has grown from 1.1% of all Ultra HNW liquid assets to 4.2%: an increase of almost 300%**
- **The average cash allocation across all Ultra HNWs is up from just £73,000 per Ultra to £279,000: and amongst Ultra HNW current investors in alternatives from £525k to close to £1 million.**

Investment in Alternatives 2007v2005

| Base: UHNWs: the 135,000 individuals in the UK with average liquid assets of £6 million plus | 2005 | 2007 | Growth 2007v2005 |
|--|------|------|------------------|
| | | | |
| % owning alternative investments like vintage cars, wine, art or antiques | 14% | 26% | +84% |
| % Asset allocation to alternative investments | 1.1% | 4.2% | +280% |

The report shows that the Ultra HNW individuals investing in alternatives:

- ...come very much (but not exclusively) from the upper levels of the UHNW universe, often from wealthiest fifth or so of this elite group. They are, younger than the average Ultra, have highly diversified portfolios and are mostly users of private banks.

Steve Harris, Editor of Wealth Briefing, commenting on the new survey findings said:

¹ *High Net Worth and Ultra High Net Worth Investment Plans 2007: Published by Tulip Financial Research: April 2007.*

“This very significant move by the rich into alternatives reflects the current bull market. Efficient investors have made a lot of money over the past three or four years



– and that’s particularly true for those with major liquid rather than fixed assets. They are now seeking homes for their money in new sectors. And the prices of many alternatives – particularly high priced, good provenance art and antiques - are now at record levels. In addition, in a bull market , it’s a way of demonstrating success and at the same time building assets- assets bought for the long term , assets to be kept rather than traded.”

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