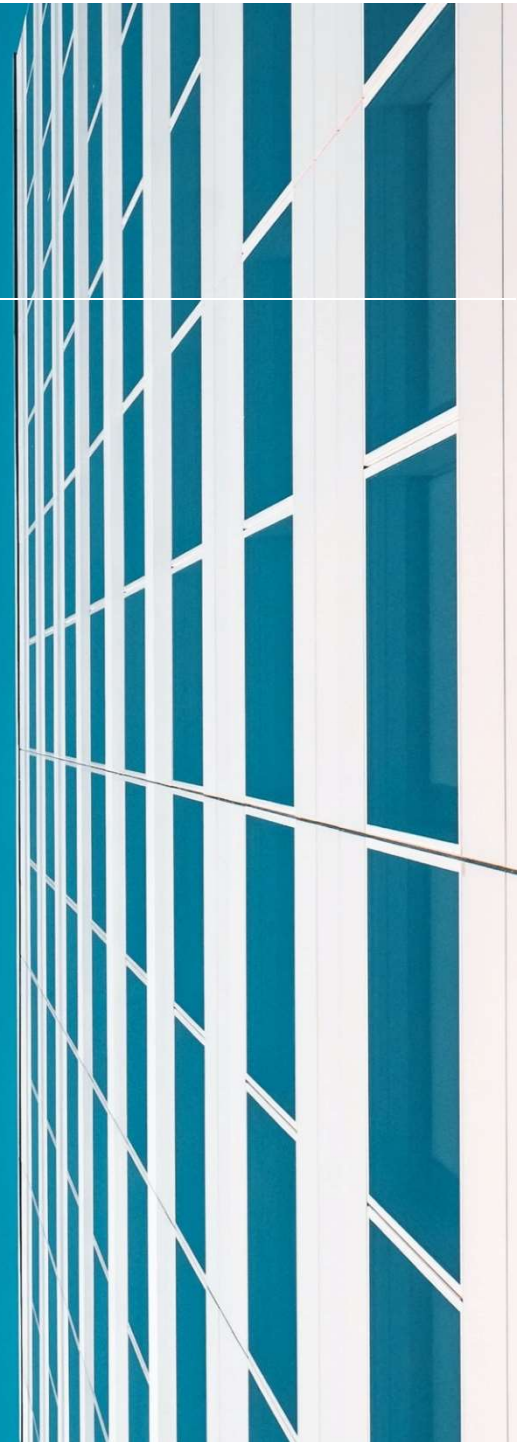


# Retail investor motivations and practices

October 2020



# Background and objectives

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## Background

- French retail investors offer a **diversity of profiles**, with varying objectives, attitudes and behaviour.
- The **Covid-19 crisis**, which has had a strong impact both on financial markets and on individuals, may have **disrupted investor behaviour**, with new expectations, different objectives and a possible change in risk appetite, etc.

## Main objectives

- Identify the **objectives, attitudes and practices of retail investors**.
- Assess the **effect of the health crisis on the behaviour** of retail investors.



## TARGET

705 interviews of retail investors who are "fully involved" in their investment practices:

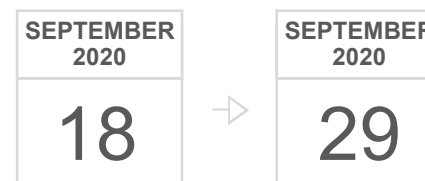
- Holders of a life insurance policy, at least 20% and €5,000 of which are invested in unit-linked accounts,
- Holders of PERP or PER retirement savings plans, at least 20% of which are invested in high-risk vehicles,
- Holders of an equity savings plan (PEA) or ordinary securities account (CTO) of a minimum value of €5,000.

*Adjustment applied to the variables of gender, age, region and SPC in order to be representative of holders of PEA or life insurance policies invested in unit-linked accounts (Operbac 2020 data).*



## TERRAIN

Collection of data online through our panels of respondents:



# Sample adjustment

Gender	Raw	Adjusted
Number	705	705
Male	69%	58%
Female	31%	42%

Age	Raw	Adjusted
Number	705	705
18 to 29 years	3%	6%
30 to 49 years	30%	30%
50 to 64 years	35%	32%
Over 65 years	32%	32%

Region	Raw	Adjusted
Number	705	705
Île-de-France	26%	21%
Eastern Paris Basin	7%	8%
Western Paris Basin	7%	8%
North	4%	5%
East	8%	8%
West	15%	16%
South West	12%	11%
Centre East	10%	12%
Mediterranean	11%	12%

CSP	Raw	Adjusted
Number	705	705
High SPC	34%	29%
Intermediate professions	13%	17%
Low SPC	13%	16%
Not employed	39%	38%

*Adjustment applied to variables of gender, age, region and SPC to make the sample representative of holders of equity savings plans or life insurance contracts invested in unit-linked accounts (Operbac 2020 data).*

# Profile of investors surveyed

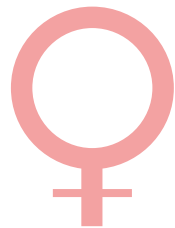
## Gender and age

The investor sample is more male than female, mainly aged between 35 and 74.

You are...

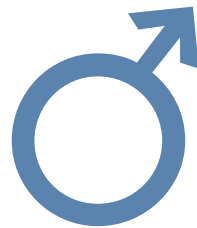
How old are you?

Total (n: 705)



**42%**

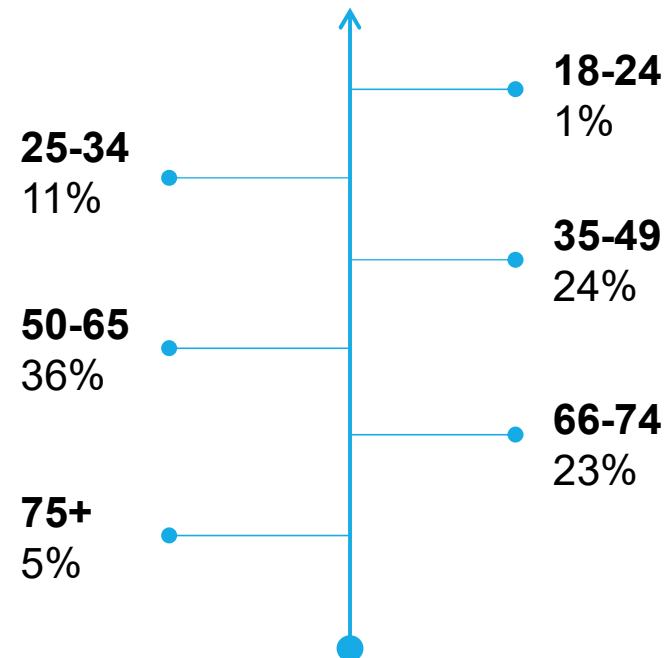
Female



**58%**

Male

Total (n: 705)



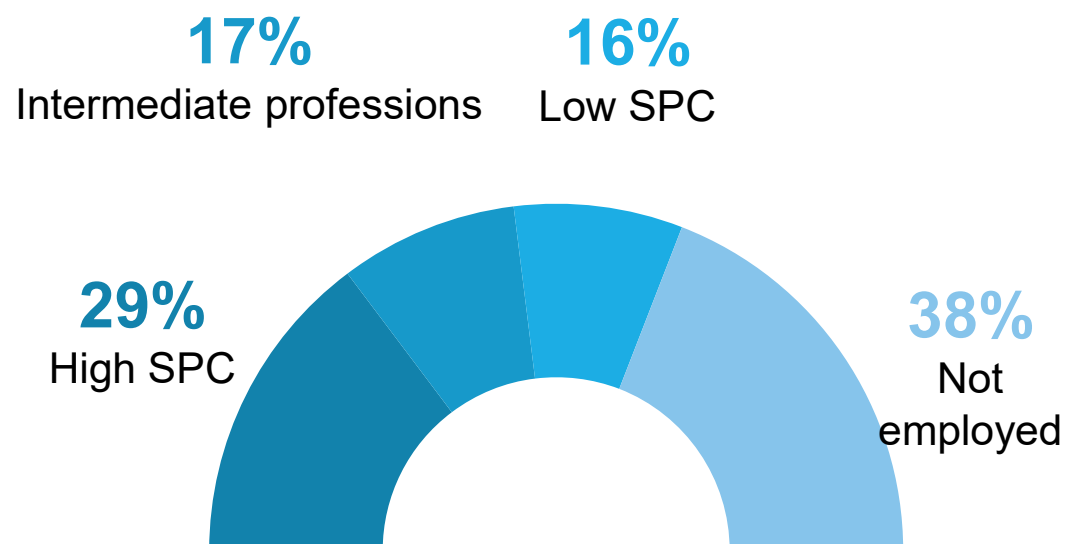
## Socio-professional category

Nearly one third of high SPCs in the sample surveyed, and a large proportion of people who are not employed.

What is your current profession/situation?

Total (n: 705)

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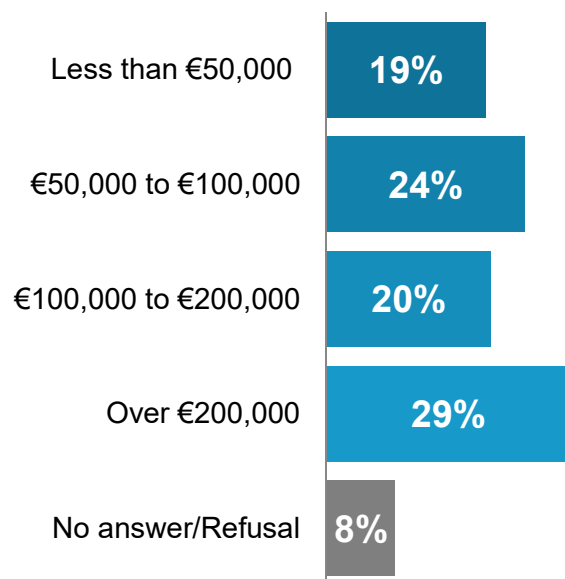


# Financial assets

Financial assets of approximately €210,000 and a significant amount of precautionary savings of approximately €50,000.

Total (n: 705)

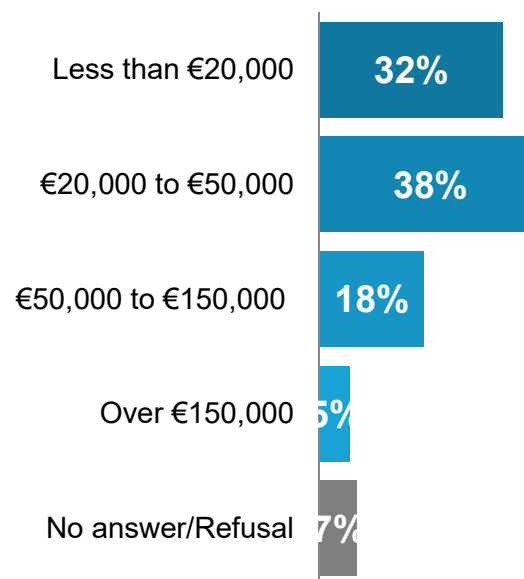
## Financial assets of household



**Average assets**  
**€210,200**

Total (n: 705)

## Precautionary savings



**Average precautionary savings**  
**€52,800**

Please state, using the amount ranges below, at how much you estimate your household's financial assets, i.e. all the savings that your household owns in savings passbook accounts, life insurance and retirement savings, home savings, employee savings schemes, personal equity plans, shares, bonds, SICAV and common funds, securities account or any other financial product.

How much do you estimate your precautionary savings to be (i.e., savings that are immediately available and without withdrawal conditions)?



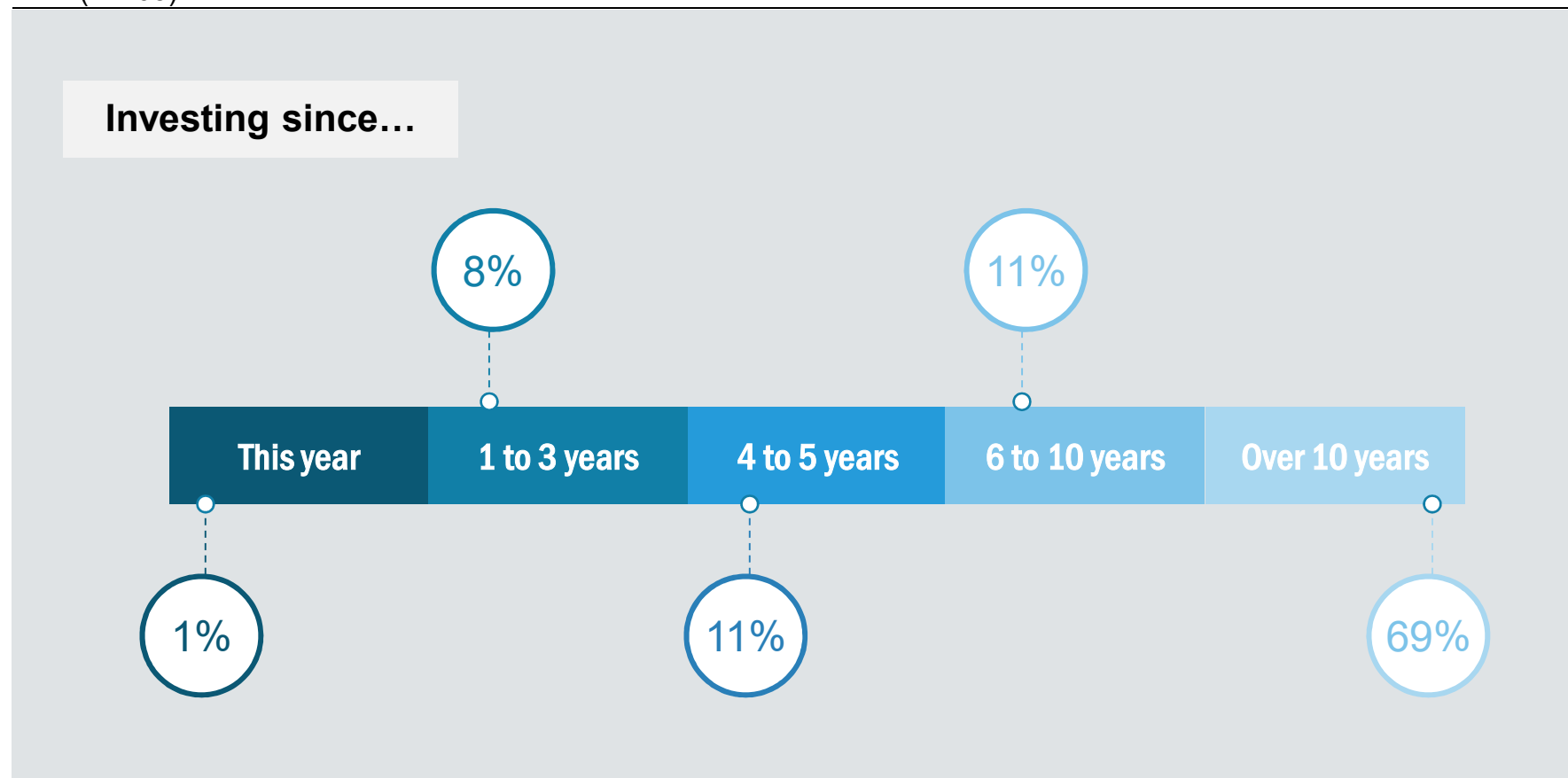
## Financial products held

## Length of investment period

The sample surveyed is mainly composed of long-standing investors, more than two-thirds of whom have been investing for more than 10 years.

Approximately how long have you held investment products?

Total (n: 705)



## Financial products held

Nearly 9 out of 10 people surveyed have a personal equity plan or a securities account.  
Nearly as many of them have a unit-linked life insurance policy and one third of them have a retirement savings plan.

Which of the following investments do you personally own?

Total (n: 705)

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# Amounts held

4 out of 10 holders of life insurance and pension retirement plans hold more than €50,000 in their portfolio. Nearly 2 out of 3 holders of personal equity plans and securities accounts hold less than €50,000.

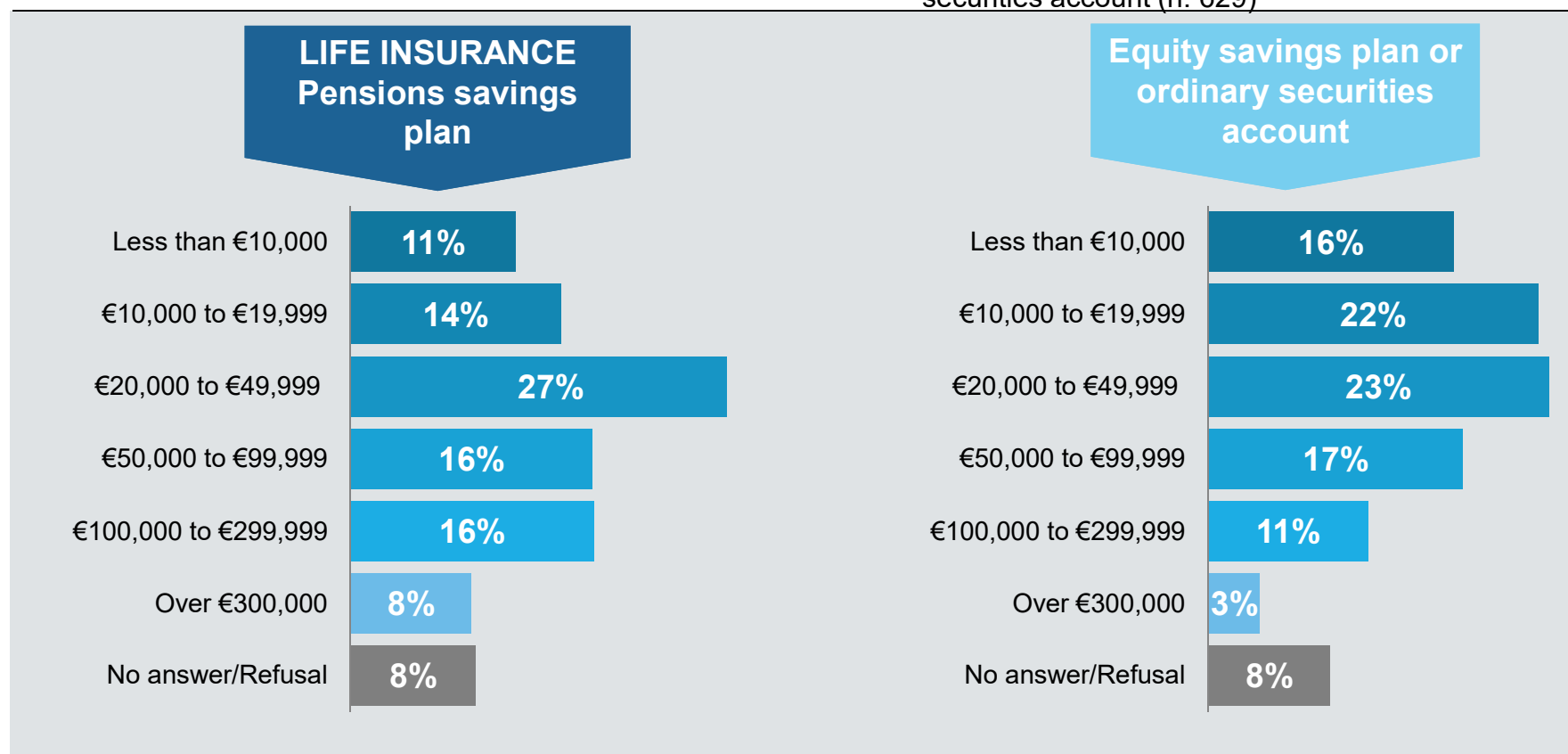
AUTORITÉ  
DES MARCHÉS FINANCIERS



What amount do you currently have on your life insurance contract(s), retirement savings plans ?  
How much do you currently have on your personal equity savings plan/securities account, whether this amount is invested in shares, funds or cash?

Holds life insurance/retirement savings plan (n: 636)

Holds a personal equity savings plan/ordinary securities account (n: 629)



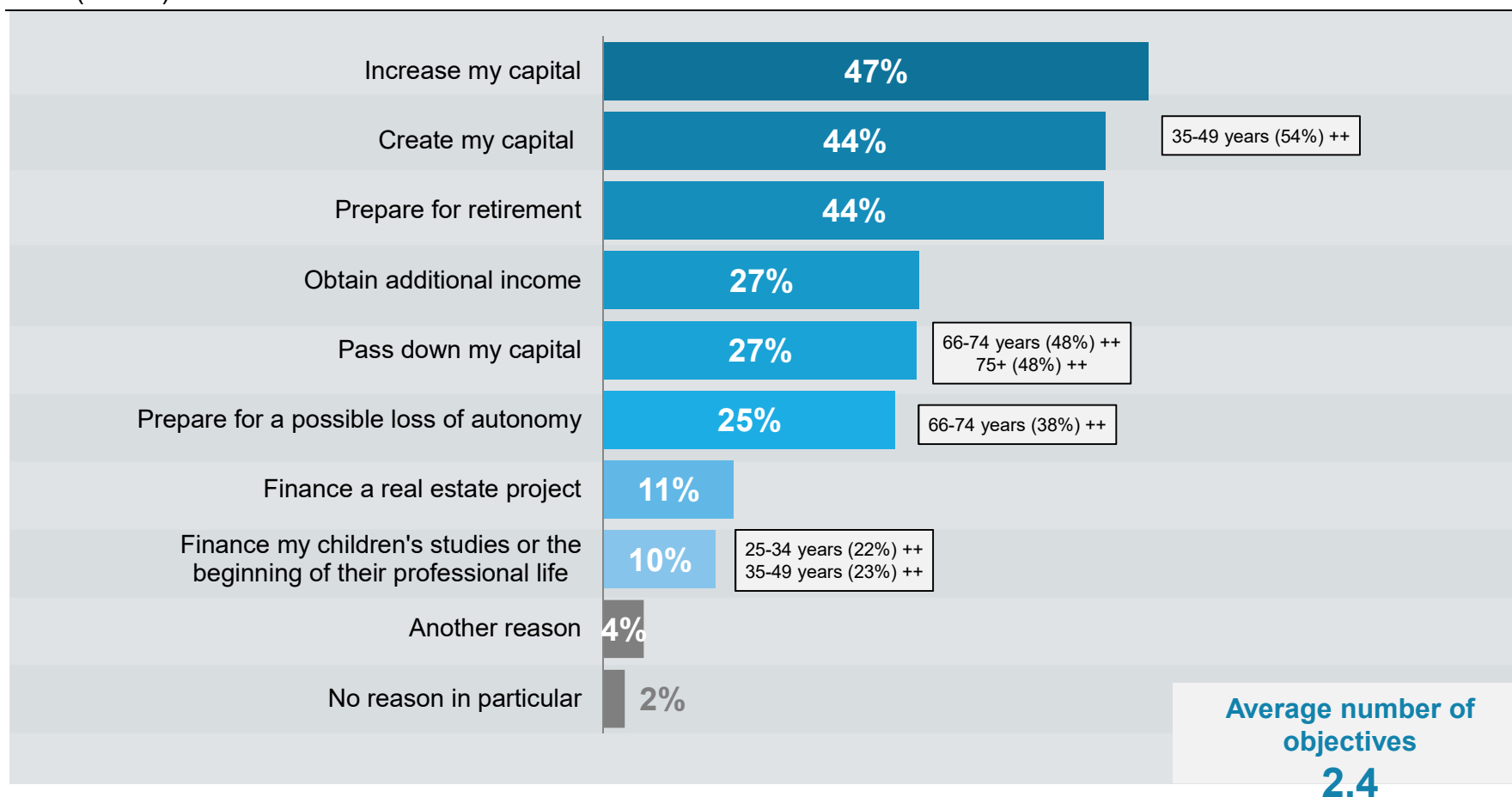
## Objectives, motivations of investors and level of satisfaction

# Objectives of investors

Many investors have an objective to build or consolidate their financial assets.

What objectives pushed you to invest part of your savings?

Total (n: 705)



# Main reason for investing

When they invest, it is primarily to diversify their savings.

What was the main reason why you invested?

Total (n: 705)

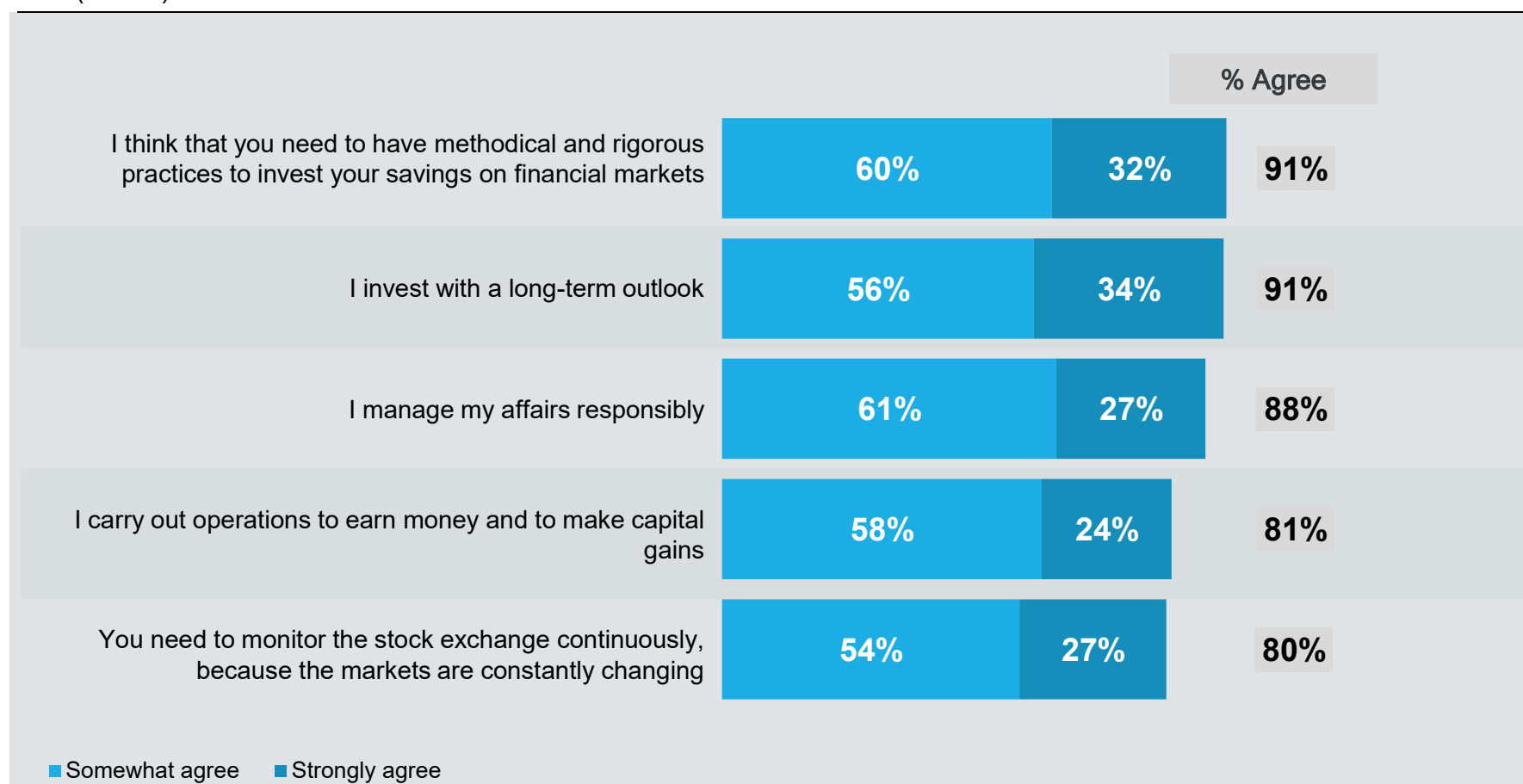


# Their investor profiles

Investors describe themselves as methodical and rigorous, responsible and with a long-term vision.

For your savings, what kind of investor are you? Please state whether you agree with the following statements.

Total (n: 705)



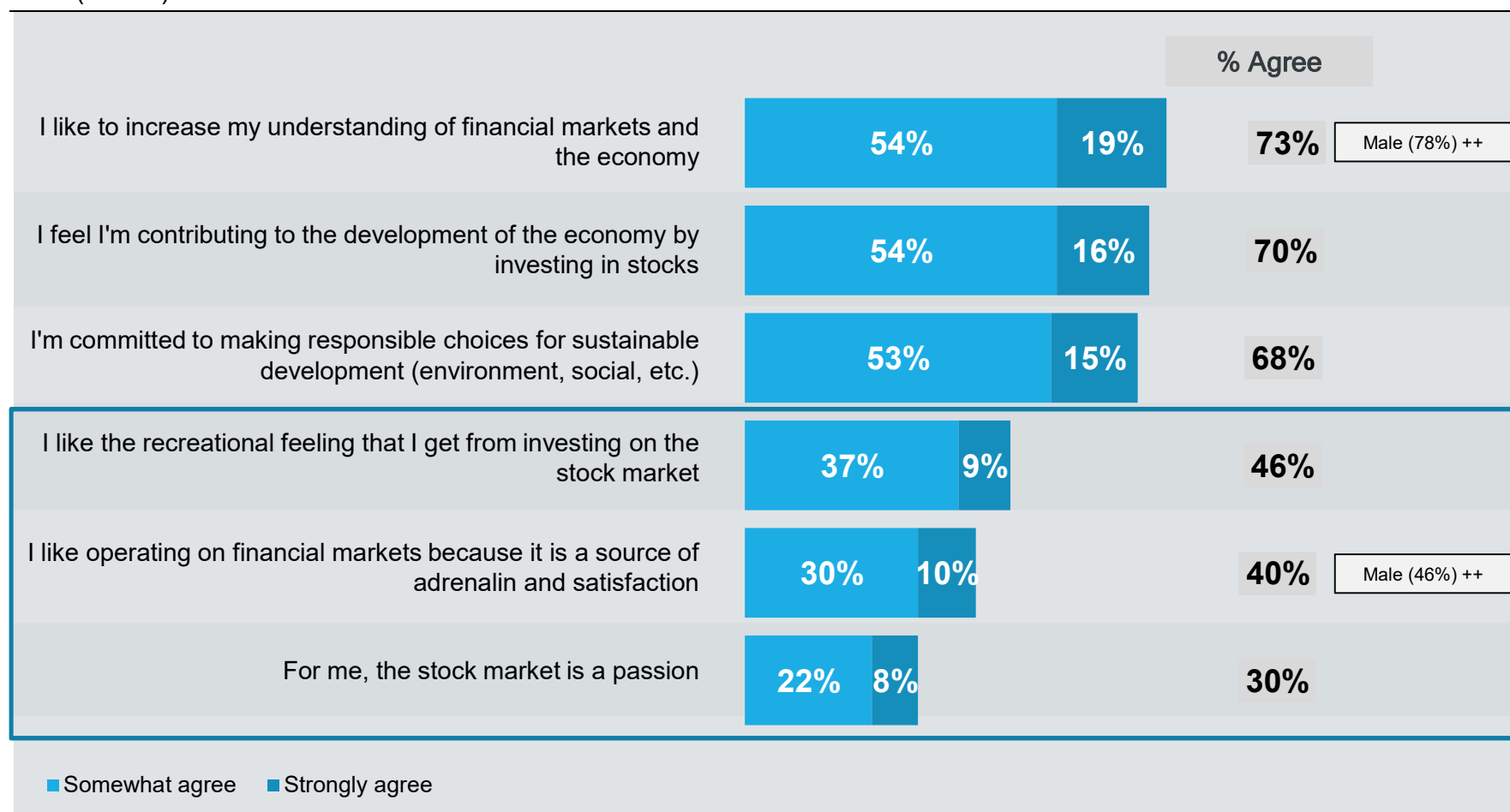


# Their investor profiles

They just a little to enjoy the fun and exciting aside of the stock exchange.

For your savings, what kind of investor are you? Please state whether you agree with the following statements.

Total (n: 705)



## Focus on economic development and CSR

7 out of 10 investors are concerned by economic development or sustainable development.

For your savings, what kind of investor are you? Please state whether you agree with the following statements.

Total (n: 705)

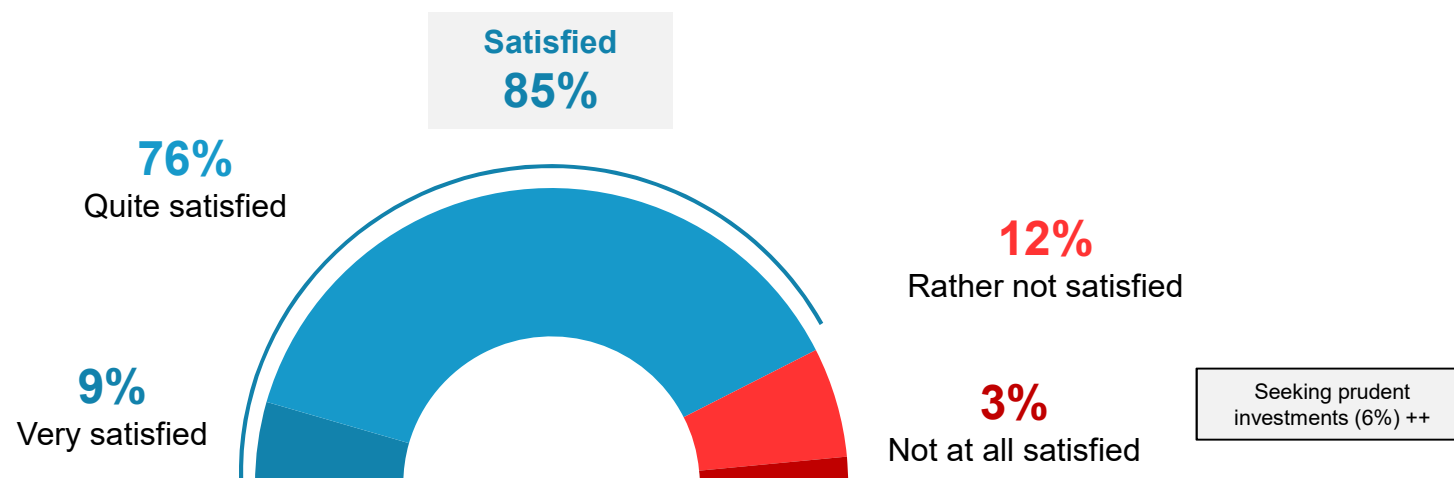


# Satisfaction with regard to investments made

Generally, investors are happy with their investments. There are more very dissatisfied people in the highly risk-averse investor group.

Generally speaking, are you satisfied with the investments that you have made?

Total (n: 705)



## ***Significant differences depending on the type of product held (% Satisfied)***

Holds unit-linked life insurance/retirement savings plan under independent management: **89%** ... and holds unit-linked contracts invested in equity: **90%**

Holds an equity savings plan invested in real estate investment companies/real estate collective investment undertakings: **93%**, in diversified funds : **92%**, in shares of major international companies: **90%**

Knowledge, experience and level of  
independence

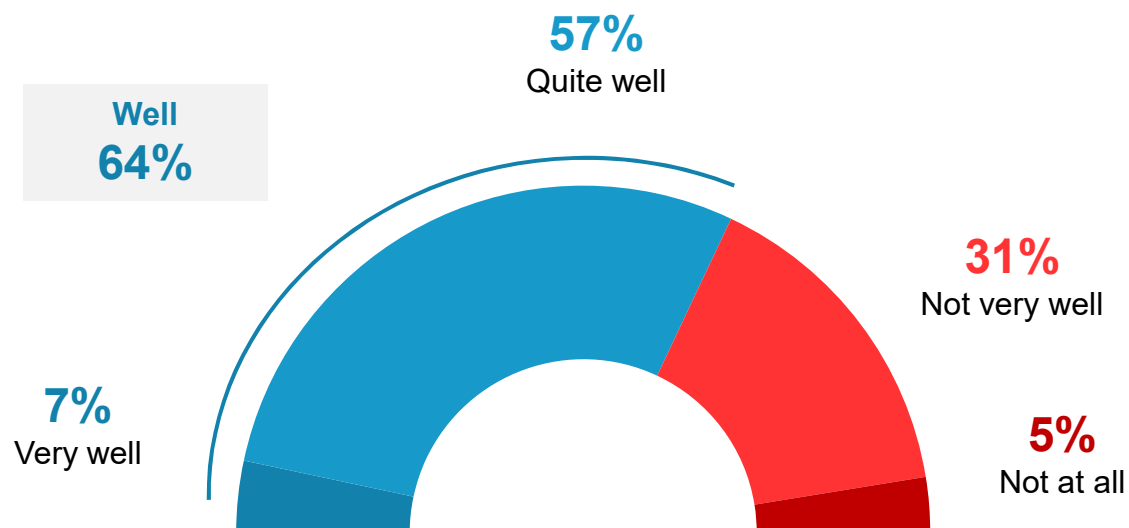
## Feeling of expertise

Nearly two thirds of investors feel that they are very familiar with savings and investment products.

Do you think you know the area of savings products and financial investments very well, quite well, not very well, not at all?

Total (n: 705)

**Do you think you know the area of savings and investment products...**

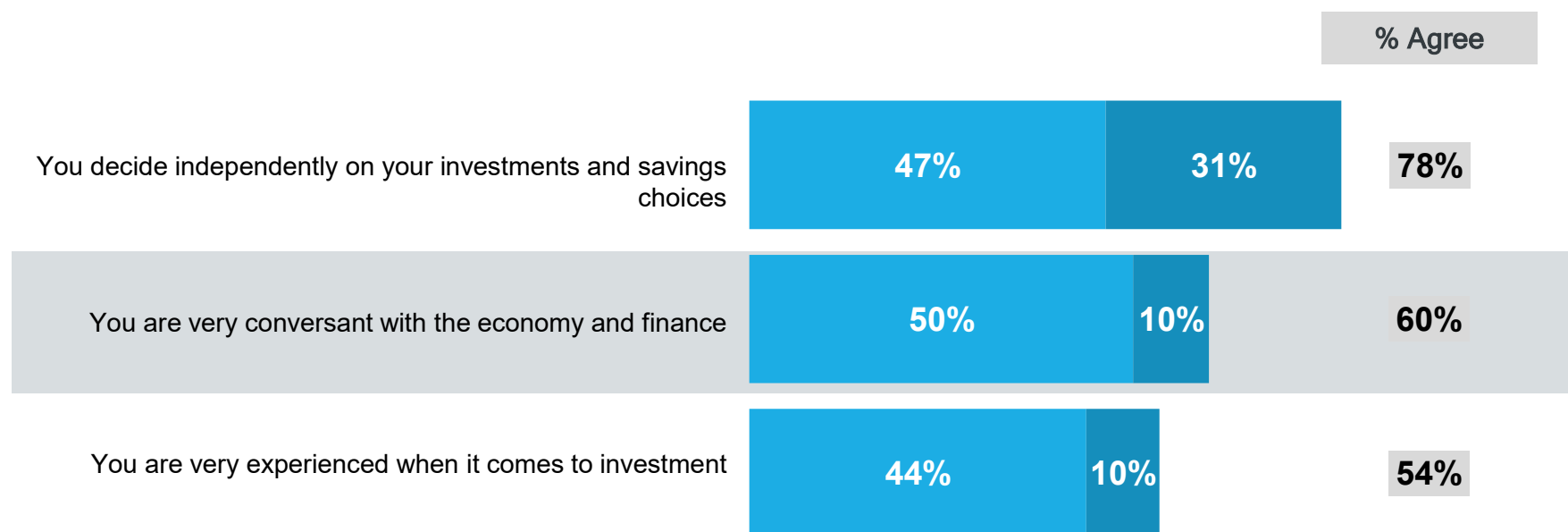


# Independence

3 out of 4 investors think they are independent.

In your case, do you agree with the following statements?

Total (n: 705)



■ Somewhat agree ■ Strongly agree

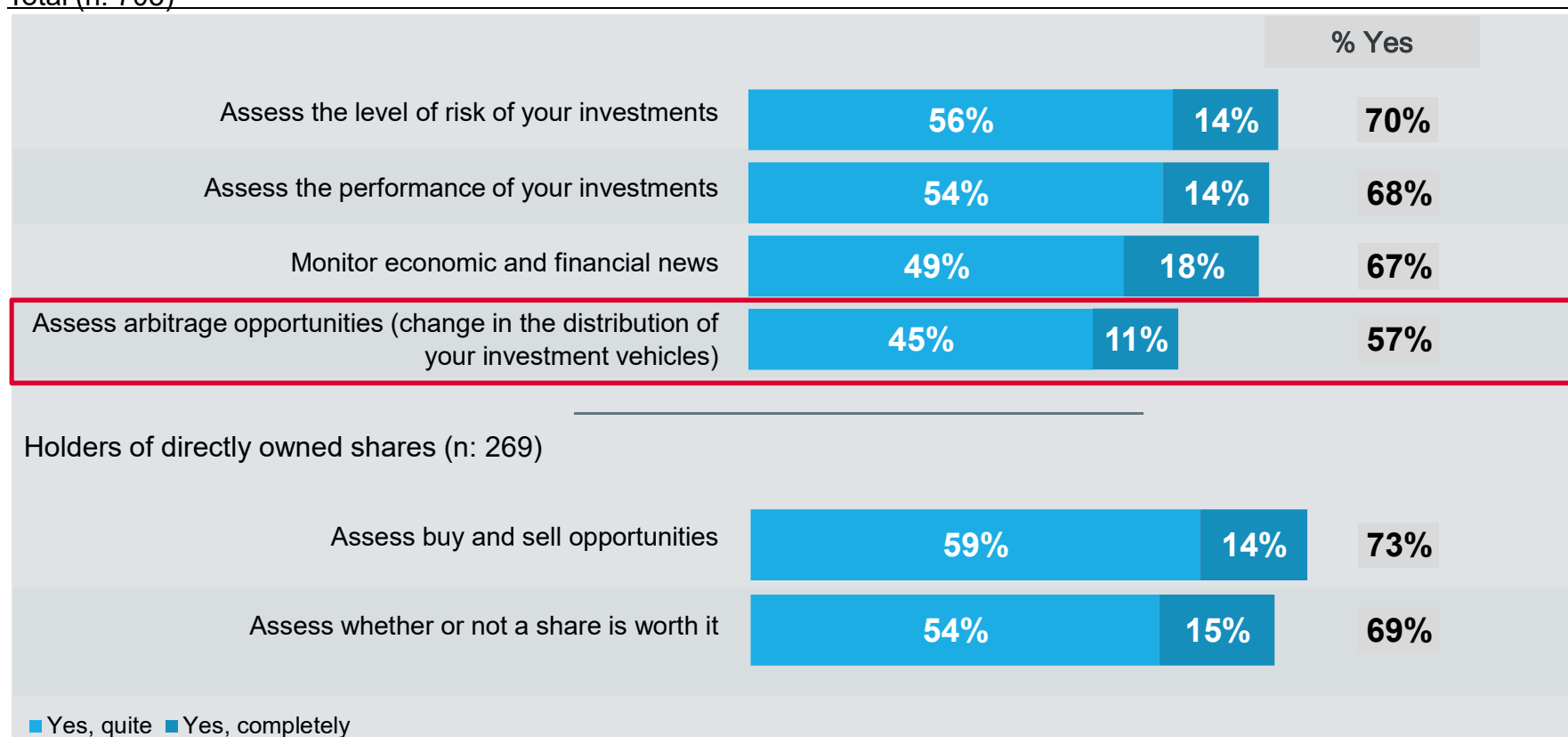
## Autonomy

Investors who say they are generally at ease in their investment practices.

Regarding the management of your investments, are you at ease when you... ?

Regarding the direct management of shares equities, are you at ease when you... ?

Total (n: 705)



# Knowledge of products held

Investors say they are familiar with every aspect of their financial products: level of risk, return, fees, investment horizon.

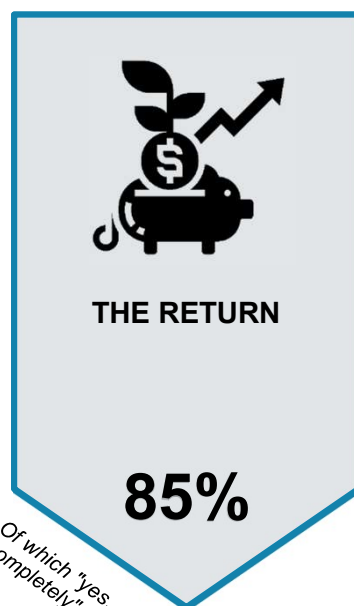
Do you know the characteristics of your investment products?

Total (n: 705)

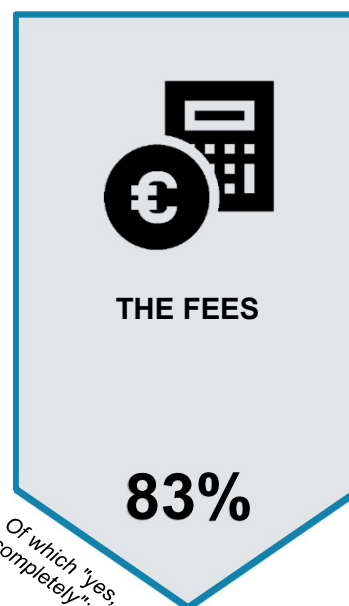
## Are very familiar with... (% YES)



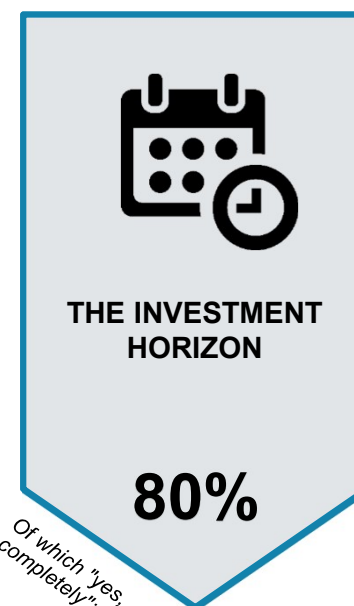
Of which "yes,  
completely":  
36%



Of which "yes,  
completely":  
25%



Of which "yes,  
completely":  
32%



Of which "yes,  
completely":  
26%



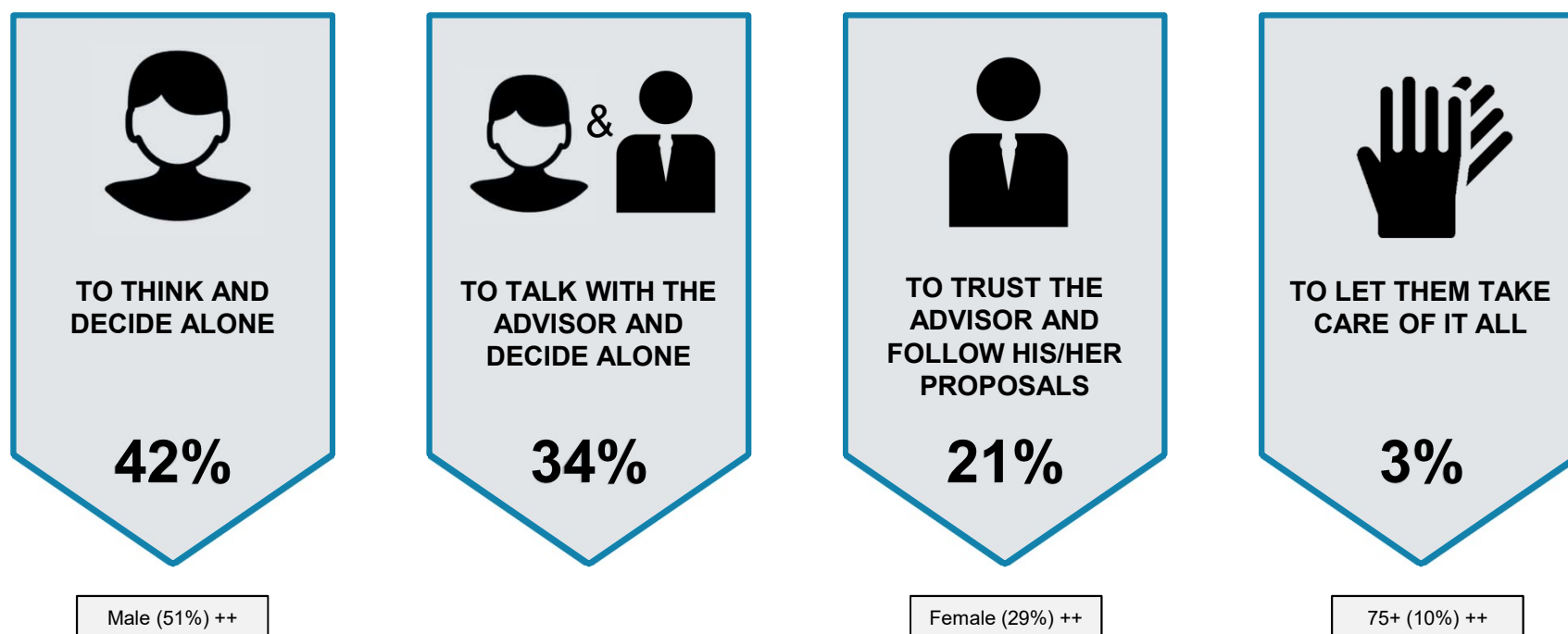
# Independent management

Investors are rather independent: nearly half of them think and invest alone, and a third of them seek advice from an advisor but make their own decisions.

To manage your savings and investments, do you usually prefer...

Total (n: 705)

## You usually prefer...

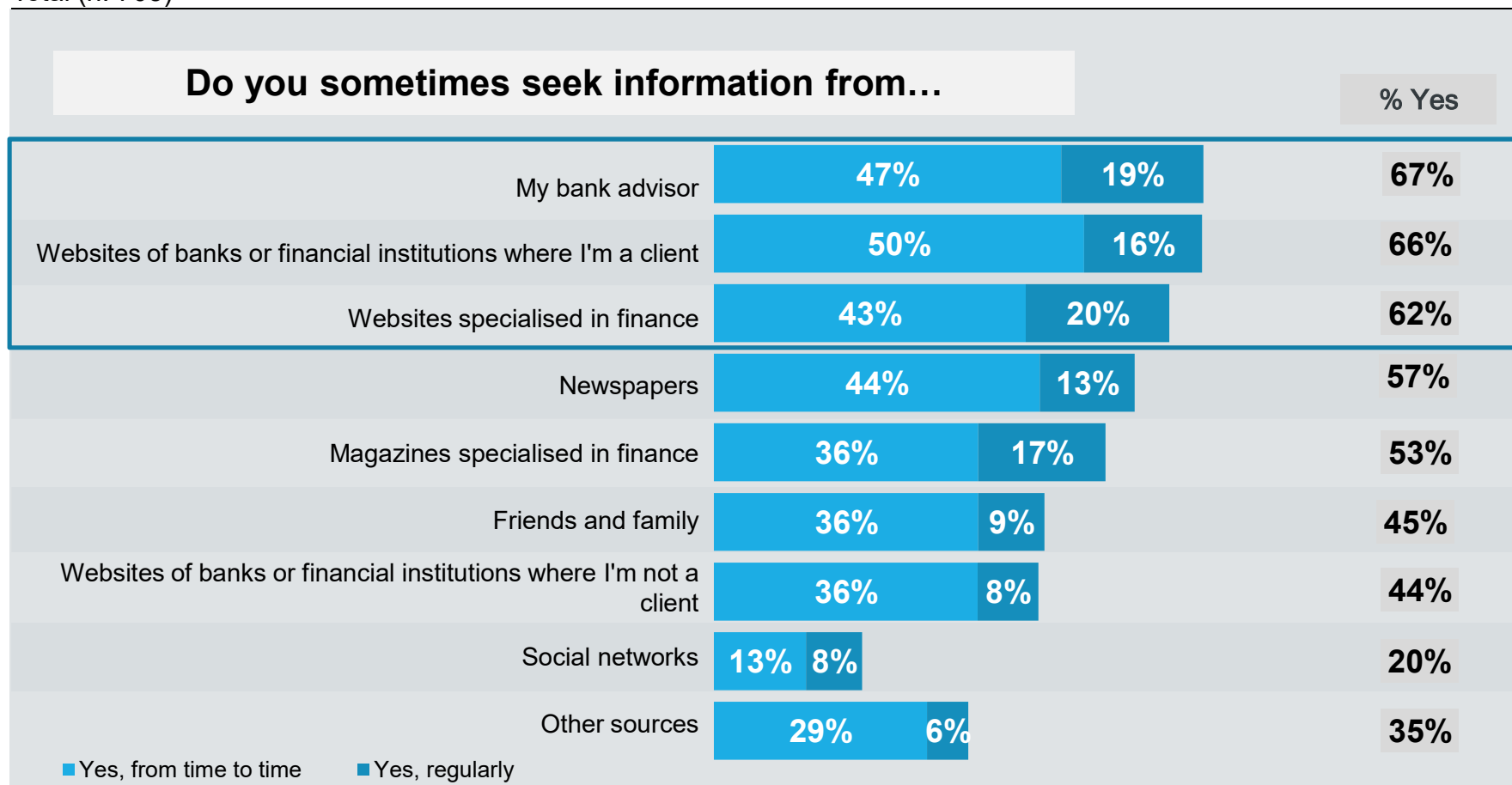


# Frequency of information search

In their search for information and advice, investors primarily seek out their bank advisor and the websites of the financial institutions where they are clients.

Do you use the following media/resources to search for information and advice for your savings and investments?

Total (n: 705)

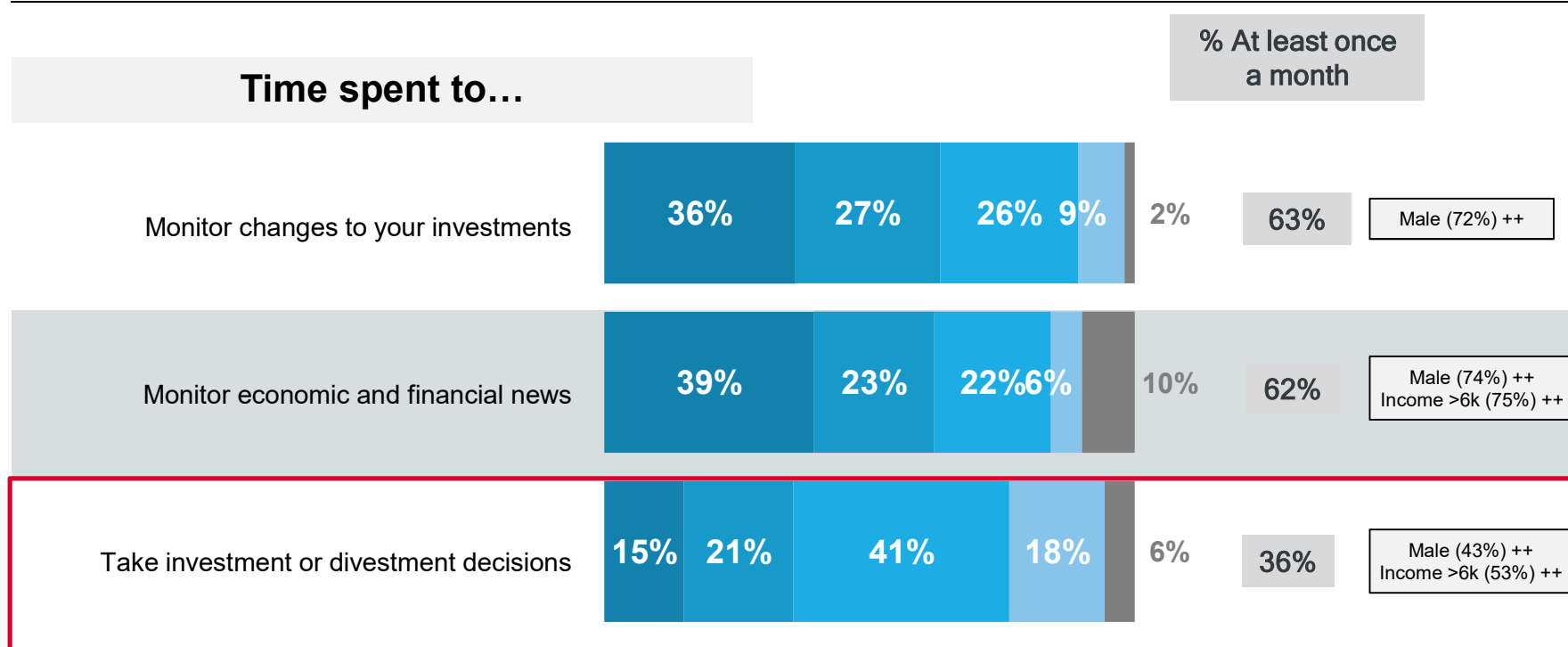


# Time spent on management

Investors regularly monitor how their investments are faring and follow economic and financial news. 9 out of 10 investors spend time on their investments once or several times a year.

For your investments, how often do you spend time on...?

Total (n: 705)



■ Every week ■ Every month ■ Several times a year ■ Once a year ■ Never

# Risk tolerance

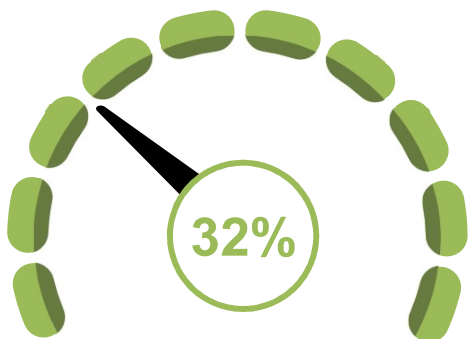
# Risk appetite

Moderate risk appetite: Two thirds of investors are looking for investments with moderate risk, while the remaining third is looking for conservative investments.

When you make investments, are you rather...?

Total (n: 705)

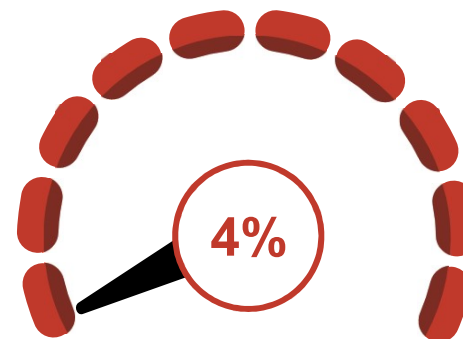
## Looking rather for...



...conservative investments  
that keep the risk of loss to  
a minimum even if it  
means low returns



... investments that yield higher  
returns by accepting the  
possibility of losing a  
reasonable portion of your  
capital



...high-risk investment  
products with a potential for  
significant and quick gains  
despite the possibility of loss

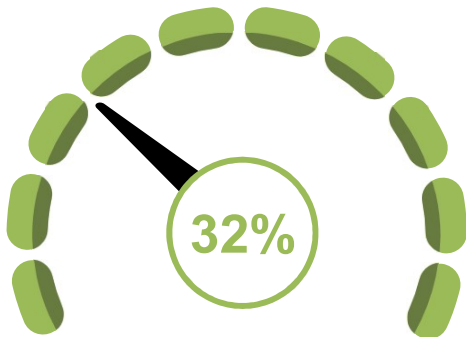
## Risk appetite – significant differences

Higher risk appetite in affluent and younger populations. Older investors prefer to mitigate risk.

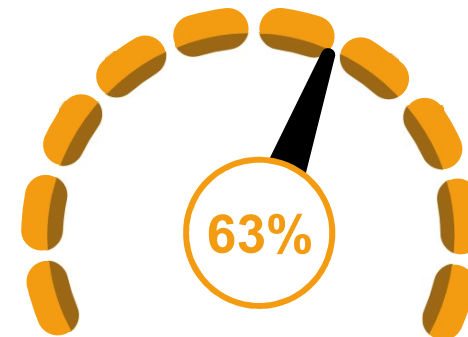
When you make investments, are you rather...?

Total (n: 705)

### Looking rather for...



More limited risk appetite **among women** (39%), **people not in employment** (39%), **people over 65 years** (44%) and **income below €2,500** (45%).



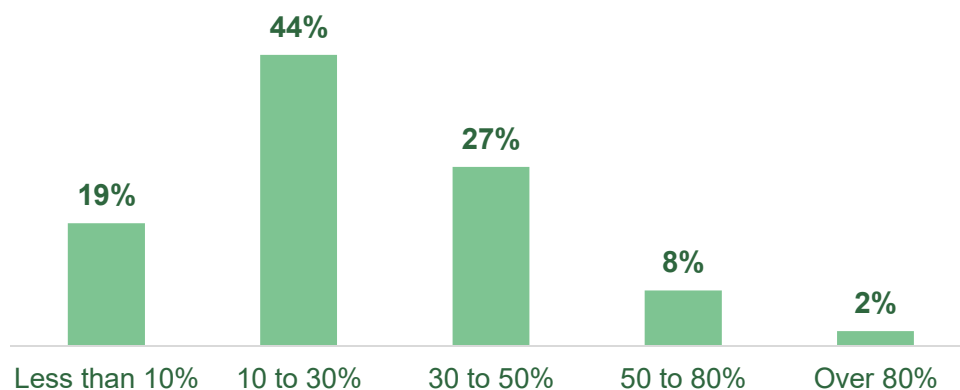
Risk appetite is higher in **a male population** (68%), aged **35-49** (72%), high **SPC** (75%) with **income of more than €6,000** (74%).

# Proportion of savings invested in investment products

... moderate risk appetite reflected in the investments made. Two thirds of respondents have invested less than 30% in high-risk vehicles.

In all your savings invested, roughly what percentage is invested in high-risk vehicles, whether in the form of funds, ETFs, shares, bonds, real estate collective investment undertakings ?

Total (n: 705)



# Behaviour in the event of a significant loss

Most investors have already experienced significant losses. When an investment drops sharply, 6 out of 10 respondents prefer to wait.

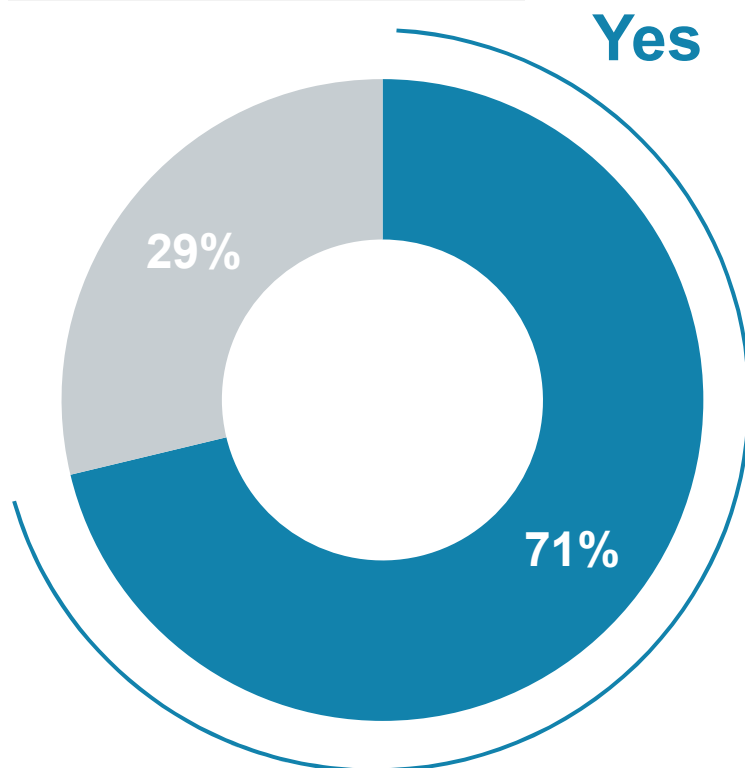
Have you already made a significant loss on your money invested in the stock market?

When one of your investments posts significant losses, what do you normally do... ?

Total (n: 705)

Those who have had losses (n: 519)

## Has already had losses



## Behaviour in the event of a loss

Waits, considering that "if it's not sold, it's not lost"

60%

Reinvests to take advantage of the market downturn

22%

Does nothing because does not follow his/her investments closely

7%

Contacts the financial intermediary for advice

6%

Sells all or part of the investments to limit the losses

5%

Don't know

1%



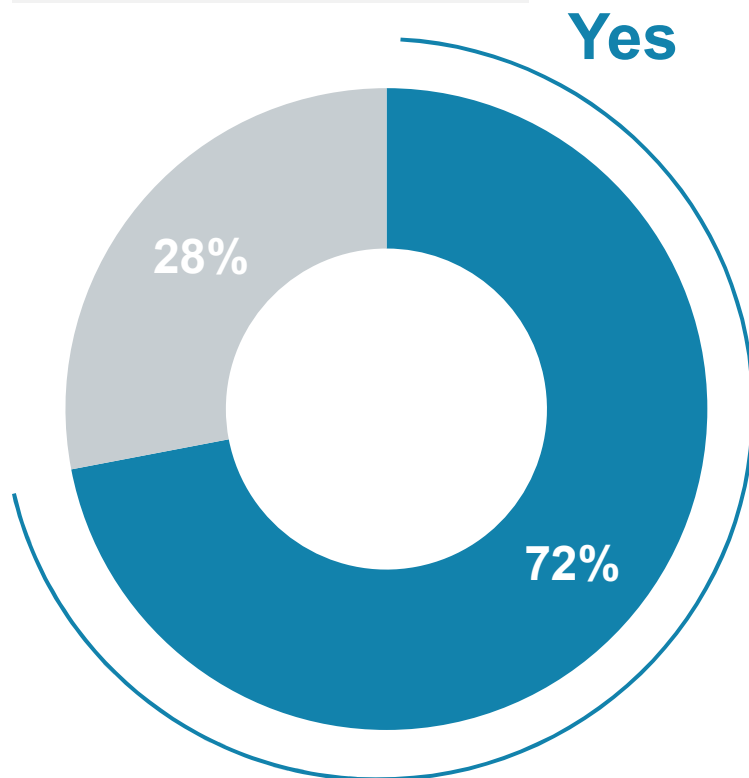
# Behaviour in case of a significant gain

In the event of a gain, their behaviour is split between waiting for the rise to continue and selling the investment to materialise the gain.

Have you already made a significant gains on your money invested in the stock market?  
When you see that you are making money on an investment, what do you do, in general...?

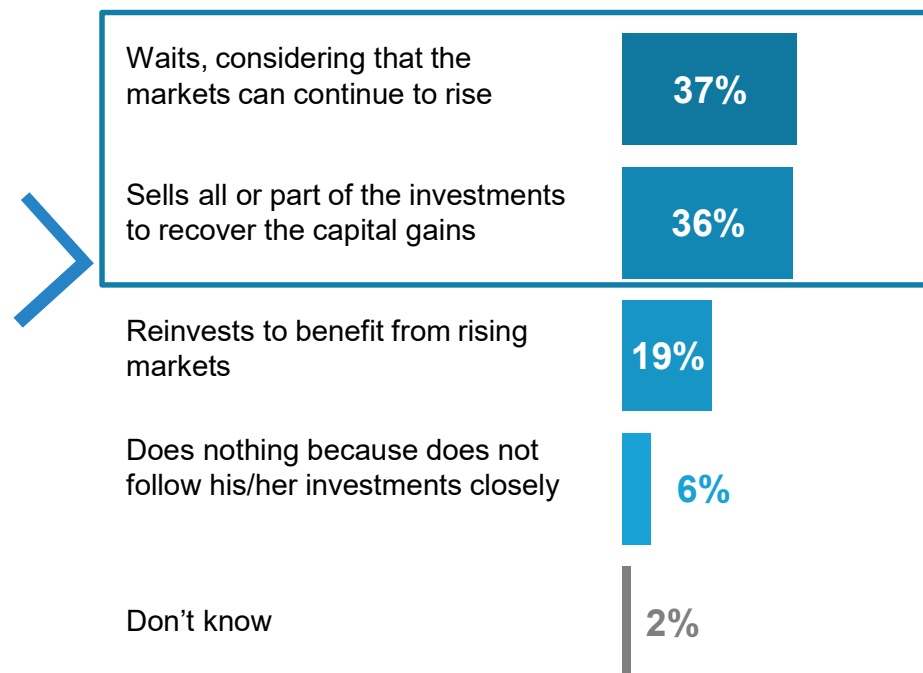
**Total (n: 705)**

## Has already had gains



**Those who have had gains (n: 514)**

## Behaviour in the event of a gain



# Investment and management practices

# Holders of unit-linked insurance products and retirement investments schemes (PERP, PER)

# Type of management in life insurance contracts and retirement savings plans

6 out of 10 prefer independent management. Those who have chosen delegated management choose low-risk or balanced profiles.

Do you manage your investments independently or have you chosen to delegate your investments?  
What level of risk have you chosen?

Holds life insurance/retirement savings plan (n: 636)

## Management mode of the life insurance/retirement savings



I make my own  
investment choices



I have chosen  
delegated  
management



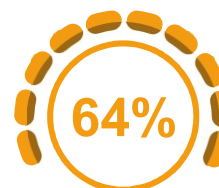
Holds manager-guided life insurance/retirement savings plans (n: 304)

## Management profile chosen



**Prudent (low risk)**

Less than €2,500 (44%) ++



**Balanced  
(a bit more risky)**



**Dynamic (risky)**

Male (12%) ++  
High SPC (16%) ++

## Unit-linked accounts held

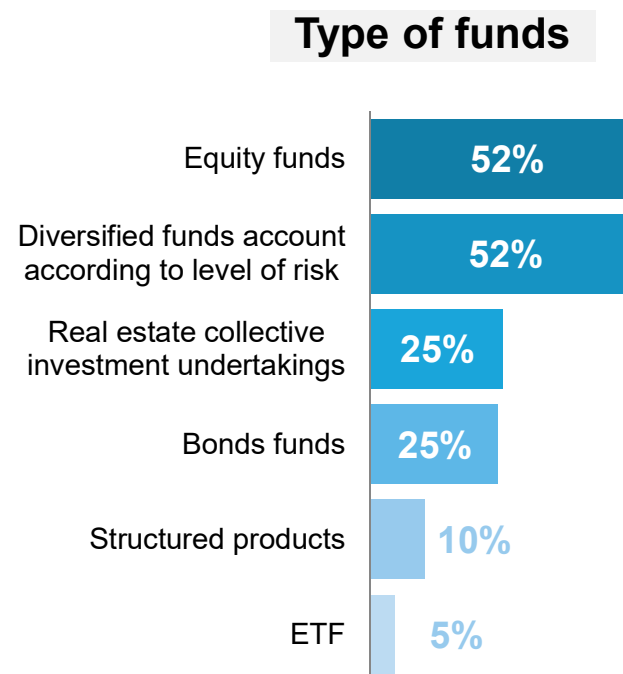
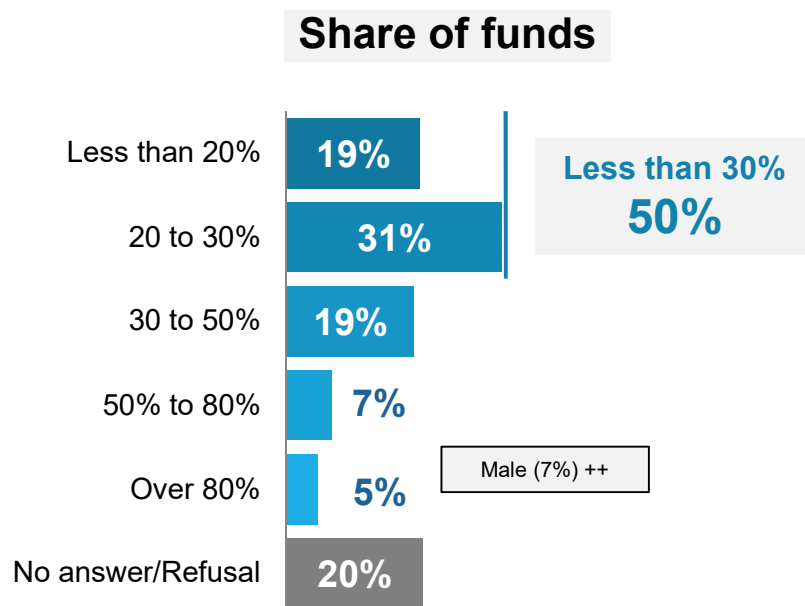
Half of respondents own less than 30% of investment funds in their contracts. Under independent management, the funds chosen are often invested in equity or profiled according to a predefined level of risk.

What is the proportion of funds in your life insurances, retirement investment plans?

What type of vehicles do you hold?

Holds life insurance/retirement savings plan (n: 636)

Holds life insurance under independent management (n: 371)



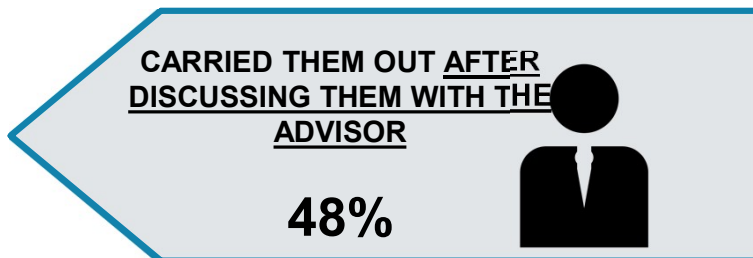
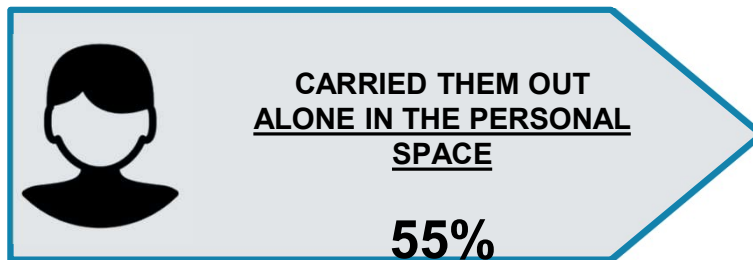
## Independent management

Investors prefer independent management and often carry out their transactions on their own.

How did you carry out the transactions that you made this year on your life insurance and retirement savings plans?

Carried out movements on life insurance and retirement savings plans (n: 278)

### For the latest transaction on these contracts...



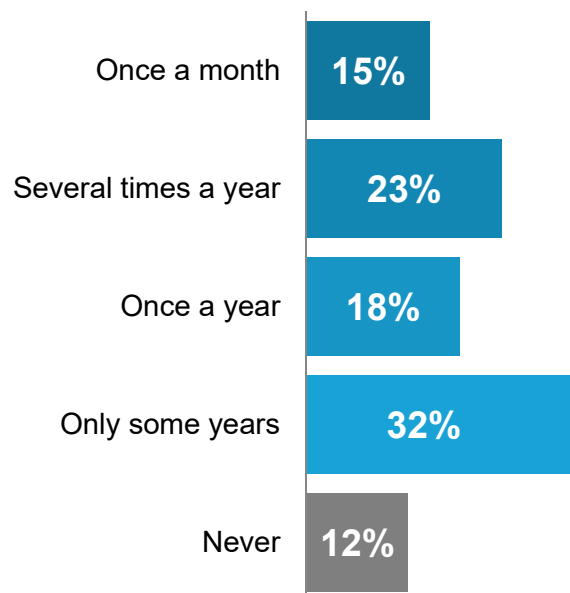
## Investment frequency

Only one third of holders invest more than once a year in funds.  
Less than half of them have carried out one transaction in the last 12 months.

At what frequency do you invest in funds?  
In the last 12 months, have you...

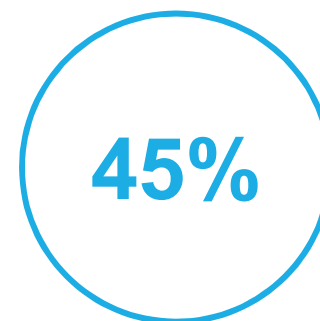
Holds life insurance/retirement savings plan (n: 636)

### Investment frequency



Holds life insurance/retirement savings plan (n: 636)

### Has carried out transaction in the last 12 months



# Holders of equity savings plans and securities accounts



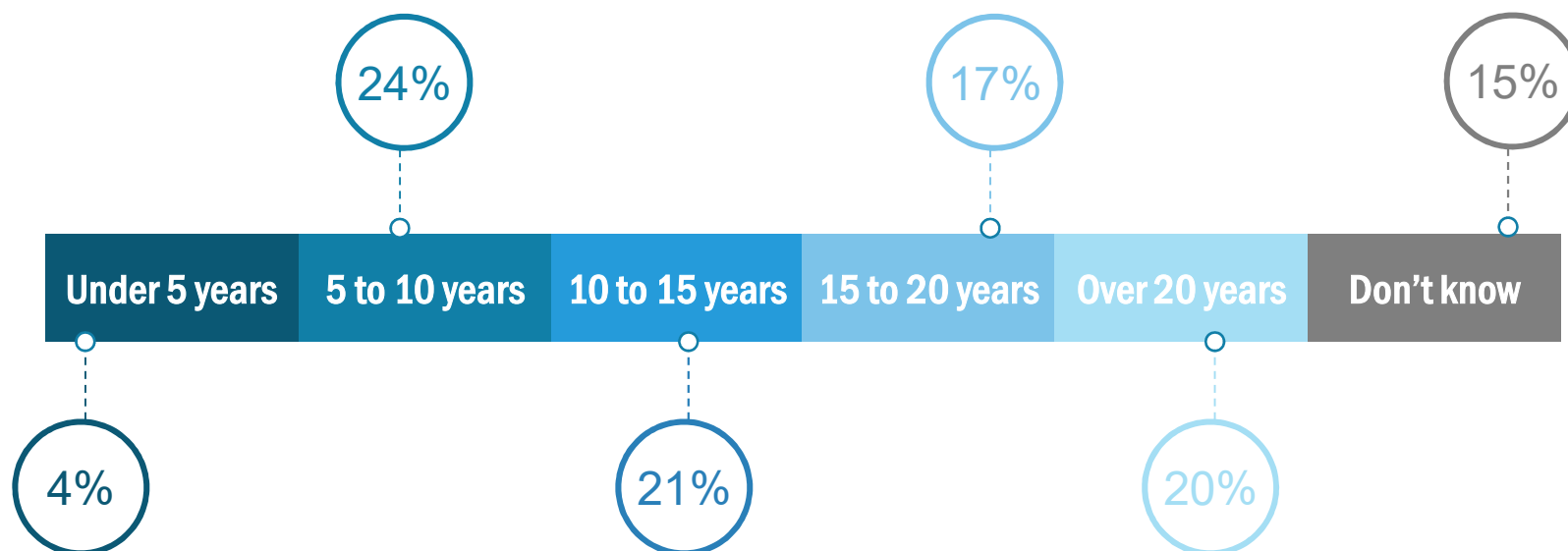
# Projected investment period when the equity savings plan is opened

When the equity savings plan or the securities account were opened, more than half of investors were aiming for at least 10 years.

When you opened your equity savings plan/securities account, what investment period were you looking at?

Holds a personal equity savings plan/ordinary securities account (n: 629)

## Planned investment period

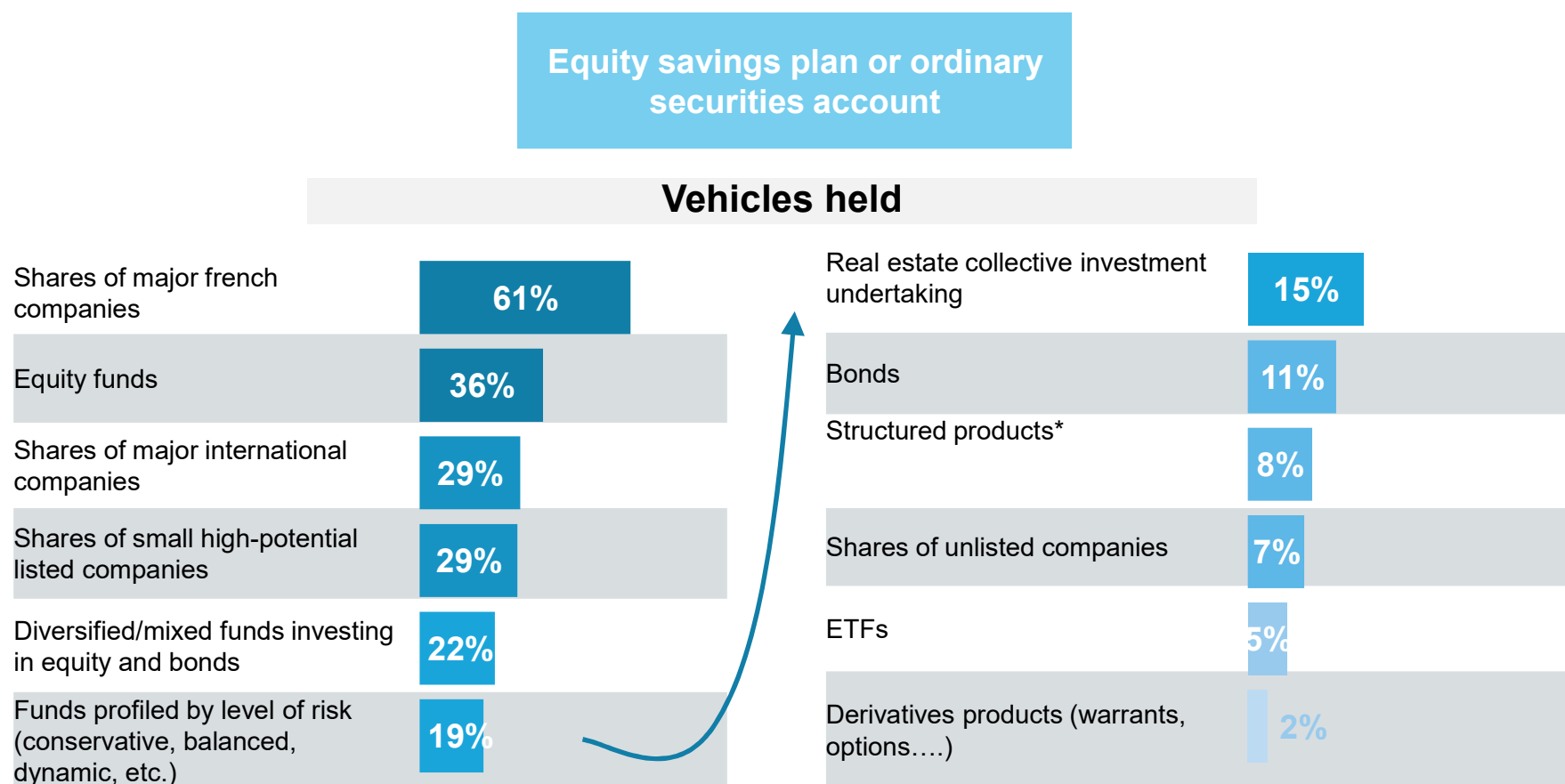


# Instruments held in equity savings plan and securities accounts

Holders of equity savings plans or securities accounts are more likely to hold shares directly.

What types of vehicles do you hold?

Holds a personal equity savings plan/ordinary securities account



\* projected for a period known from the beginning and whose redemption value at maturity depends on a mathematical formula

# Independence in management

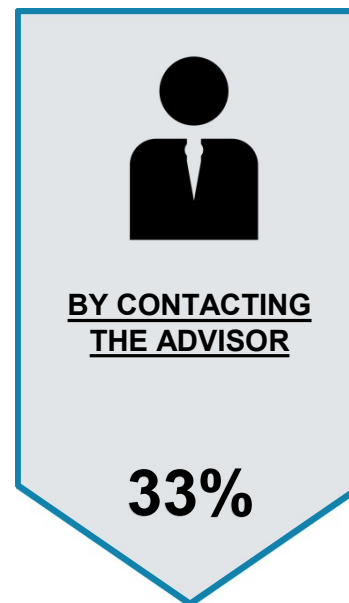
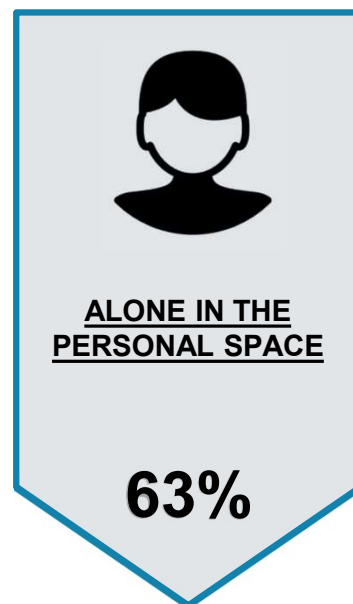
Investors carry out their transactions online in most cases.

As a rule, what channel do you use for carrying out transactions on your equity savings plan (s) or securities account?

Carried out movements on equity savings plan/ securities account (n: 333)

---

## Generally carries out transactions...



Other: 4%

## Profile of the most independent investors

It is the affluent investors who are independent on their equity savings plan or securities account: high SPC, they are the investors with the highest income and financial assets.

As a rule, what channel do you use for carrying out transactions on your equity savings plan(s) or securities account?

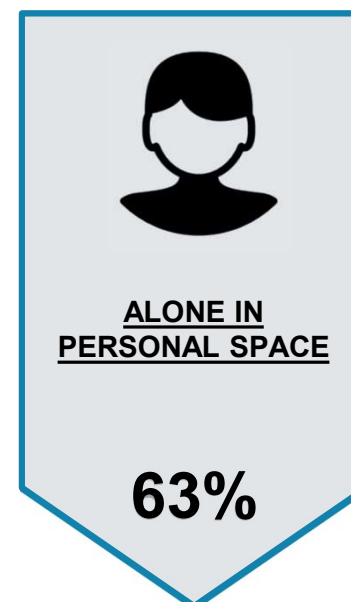
Recently carried out movements on equity savings plan/ securities account (n: 333)

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### Generally carries out transactions alone

These independent investors **are mostly men** (76% vs. 58%), **high SPC** (38% vs. 29%).

They have **precautionary savings comprised between €50,000 and €150,000** (25% vs. 18%) and the **highest financial assets: €500,000 and more** (16% vs. 11%). These independent investors are over-represented among respondents with **monthly income of > €6,000** (24% vs. 17%).



# Frequency of investment in the equity savings plan

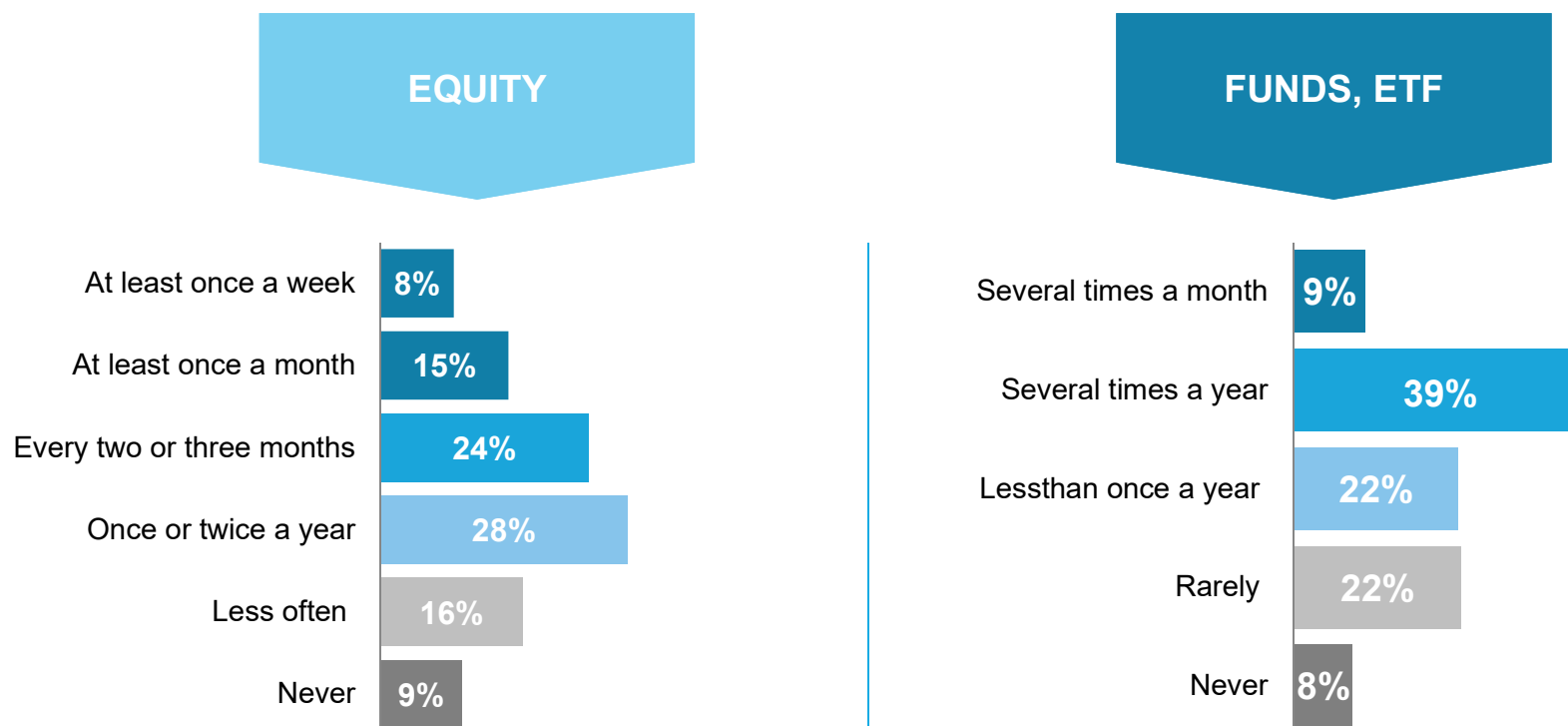
Half of a holders invest at least every two or three months in equities, and several times a year in funds.

At what frequency do you send buy or sell orders on directly owned shares?

At what frequency do you carry out investments/divestments on funds or ETFs?

Holds a personal equity savings plan/ordinary securities account and directly owned shares

Holds a personal equity savings plan/ordinary securities account and funds/ETF



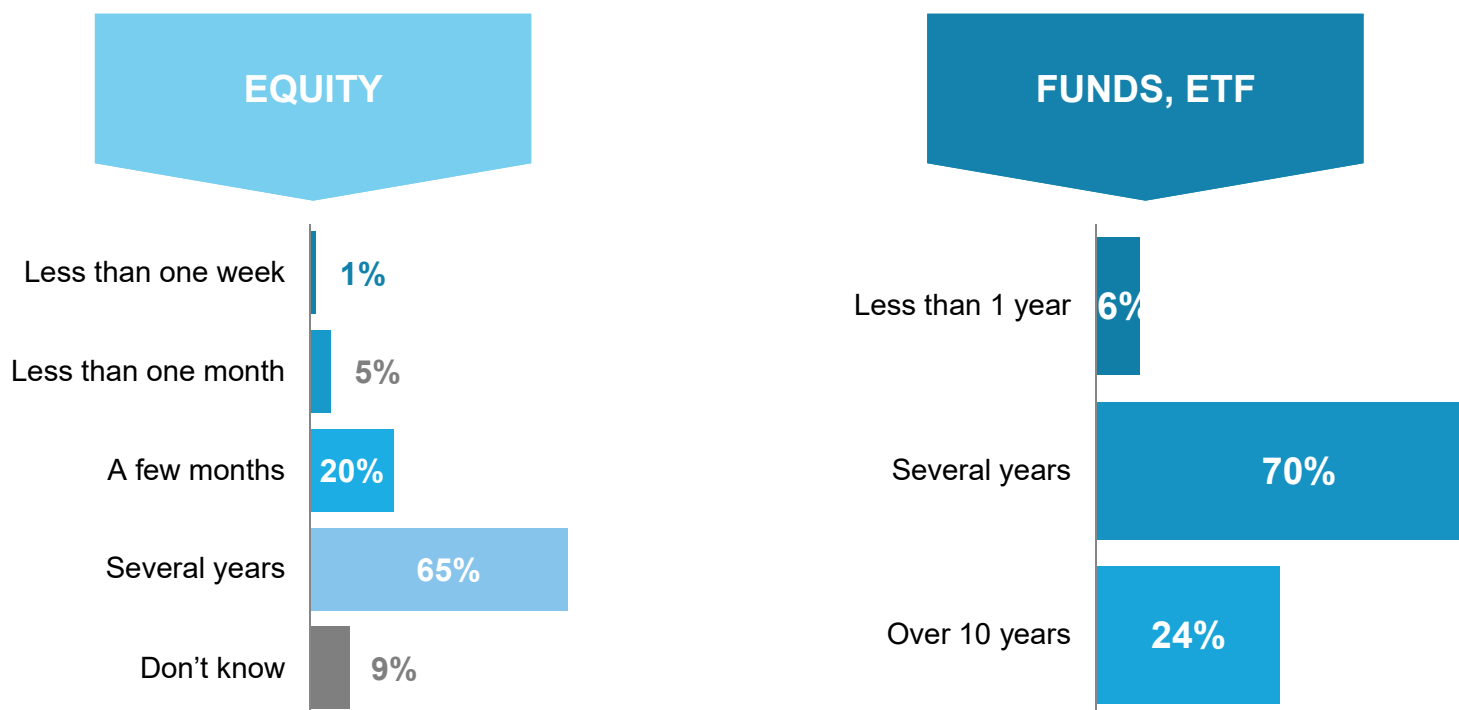
# Holding period for securities in equity savings plan

Most holders of equity savings plans/securities accounts keep their equity and funds for several years.

Most often, how long do you keep the directly owned shares in which you invest?  
In general, how long do you keep the funds and ETF that you hold?

Holds a personal equity savings plan/ordinary  
securities account and directly owned shares

Holds funds/ETF

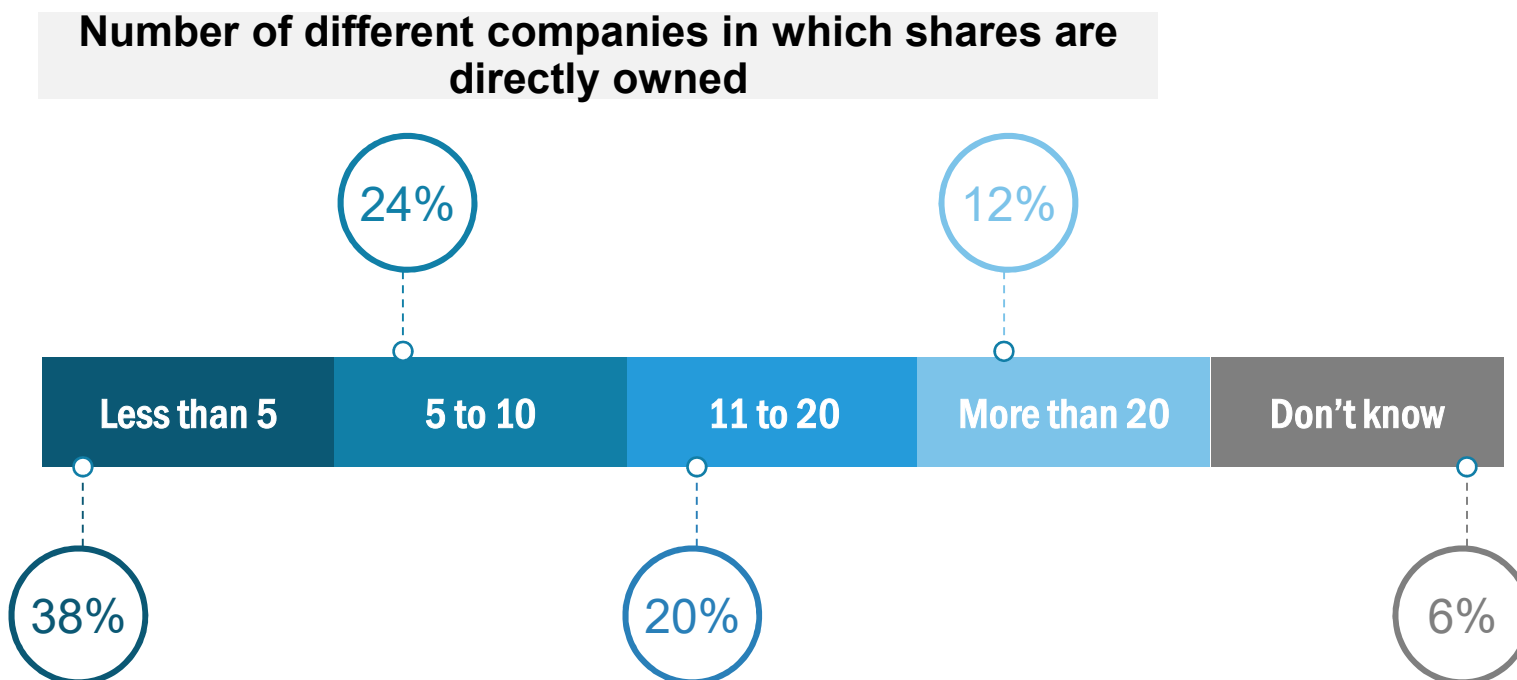


## Number of directly held securities

4 out of 10 holders of equities have a portfolio of at least 5 companies.

In how many different companies do you directly own shares?

Holds a personal equity savings plan/securities account and  
directly owned shares



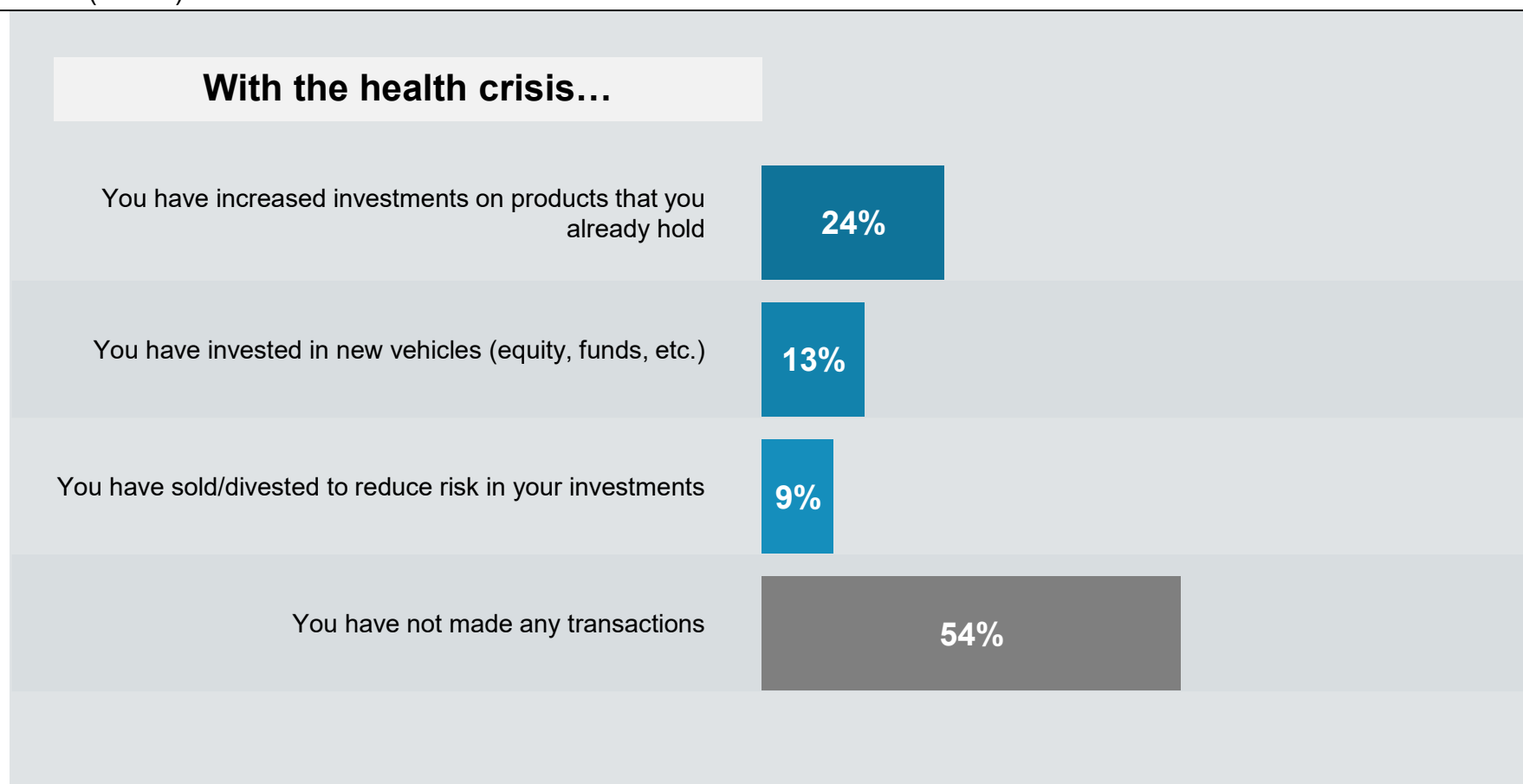
# Impact of the health crisis



# Impact of the health crisis on investments

Although more than half of investors have not modified their investments, 1 in 4 investors have increased their investments on products that they already owned.

Since the beginning of the year, has the COVID-19 health crisis led you to modify your investments?  
Total (n: 705)

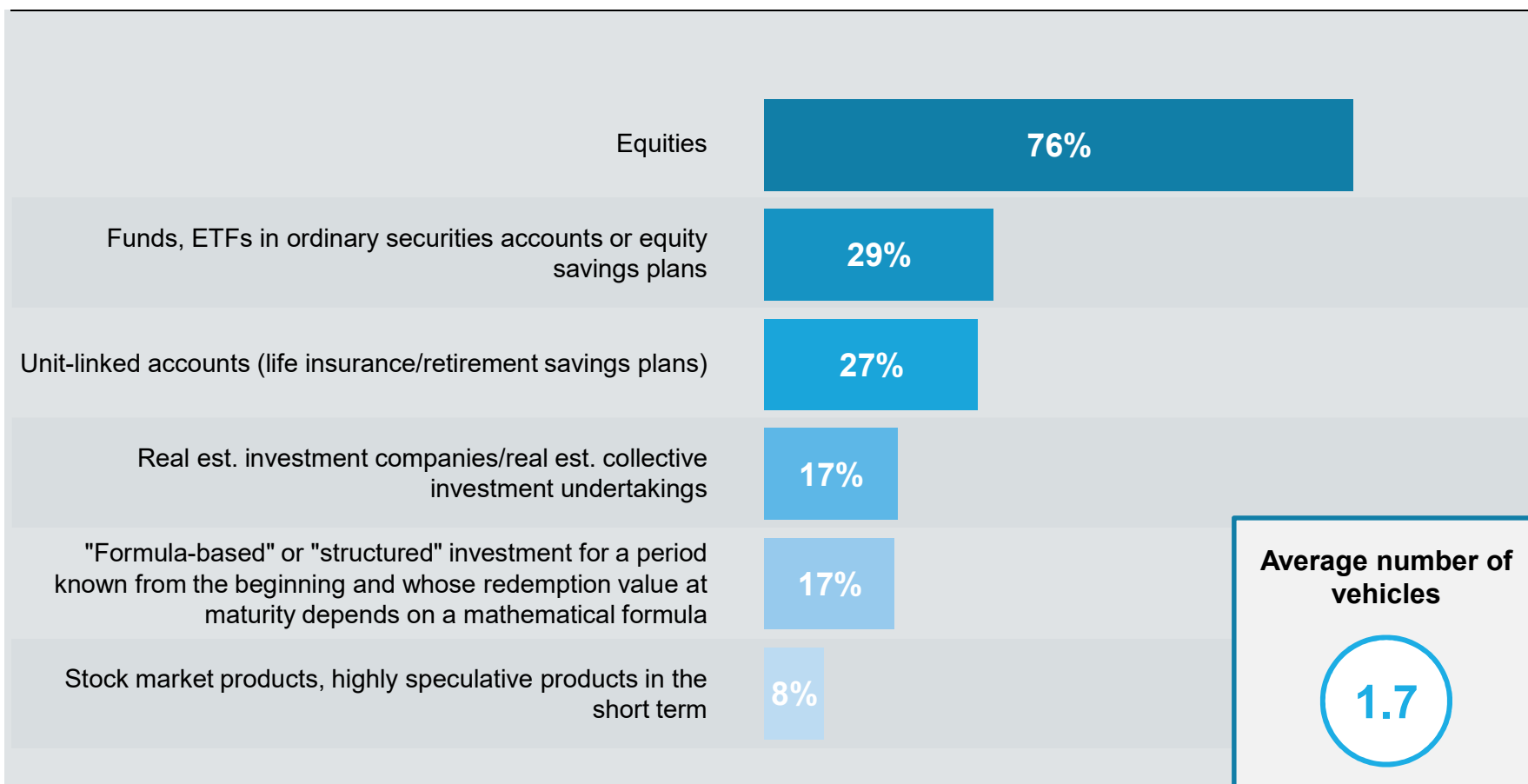


# New vehicles invested

Most people who have invested in new vehicles opted for equities.

In which types of vehicle did you invest?

Invested in new vehicles (n: 92)



## Use of advisors

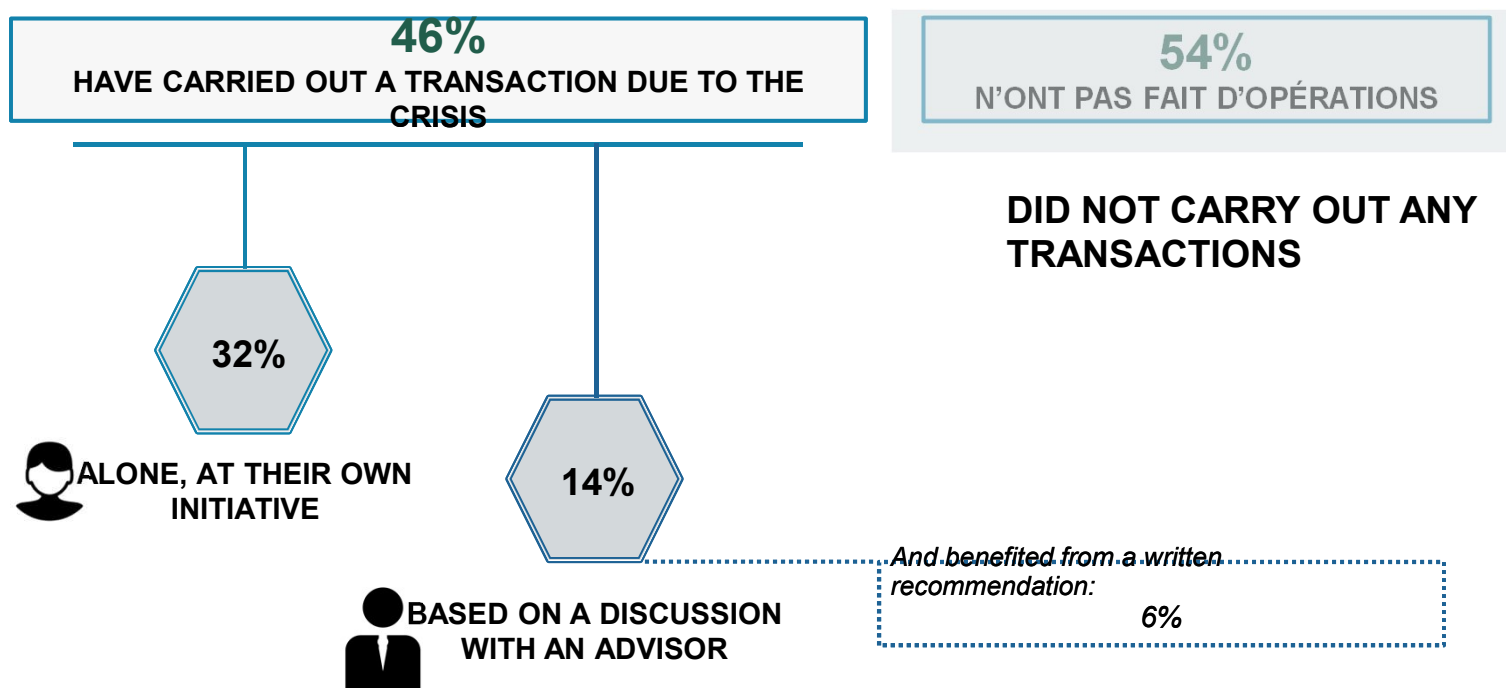
More than two-thirds of investors who modified their investments carried out these transactions alone.

Since the beginning of the year, have you modified your investments because of the COVID-19 health crisis?

How did you make these changes to your investments?

Did you benefit from written recommendation from your advisor?

Total (n: 705)



# Confidence indicators

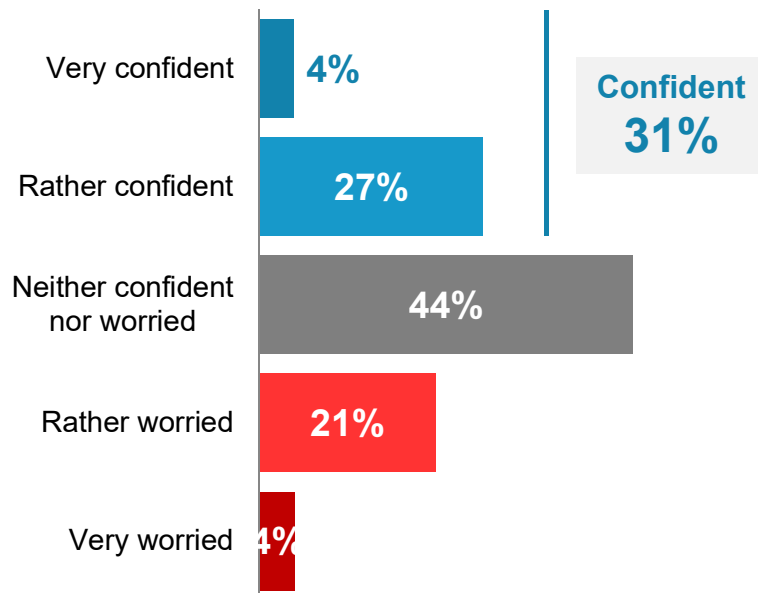
Most investors do not have a clear-cut view of the situation in the future. Less than one third of them say they are confident or trustful.

How do you currently feel when you think about your savings invested on financial markets?

On the whole, concerning the development of your economic and financial situation in the next 12 months, would you say that you are...?

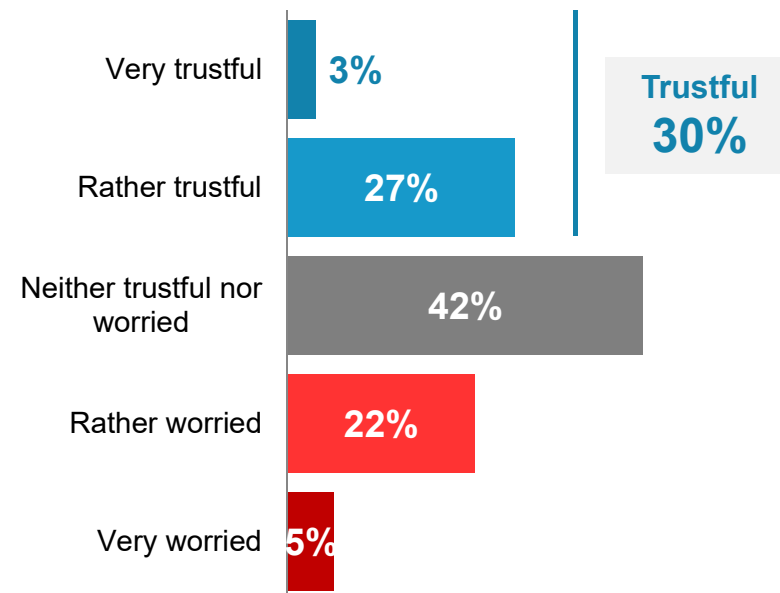
Total (n: 705)

## Savings invested on the markets



Total (n: 705)

## Personal economic and financial situation



# Intentions

Most investors are thinking of doing nothing in the coming months.  
Those who are thinking of investing are focusing primarily on equities.

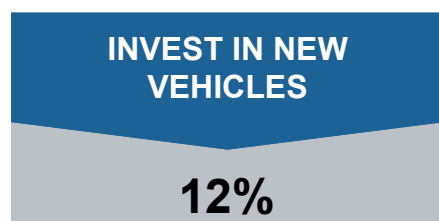
And in the coming months, are you planning to...

In which types of vehicle(s) are you planning to invest? (equities, funds, stock market products, etc.)

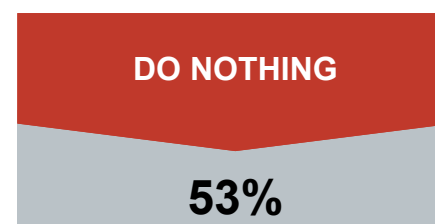
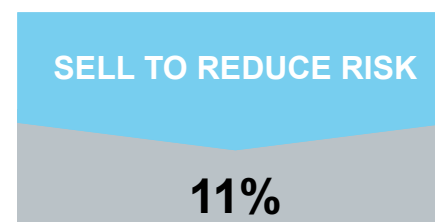
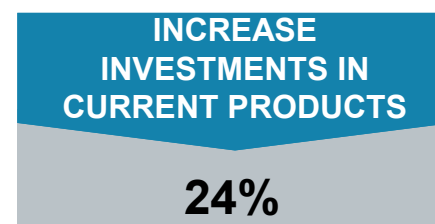
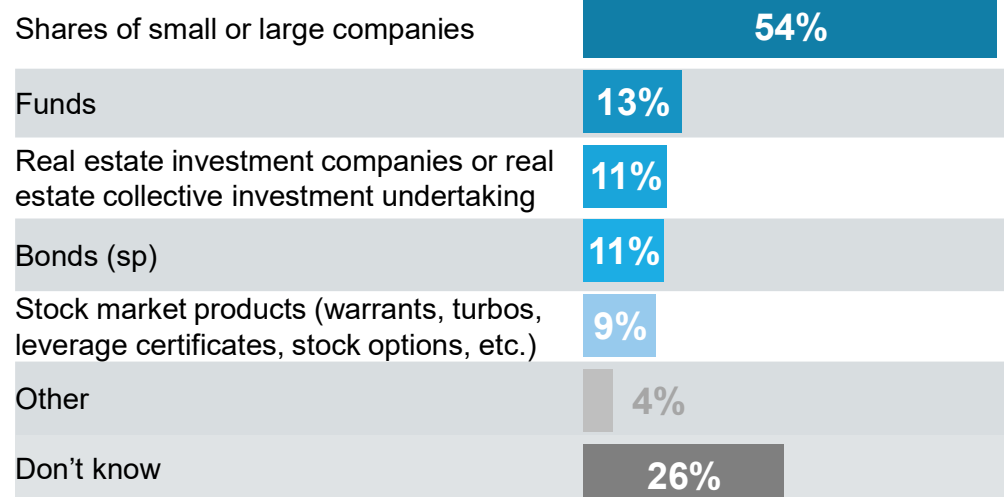
Total (n: 705)

## Plans in the coming months to...

Plans to invest in  
new vehicles (n: 81)



Displayed only if > 3 %



# Anticipations

Nearly half of investors are pessimistic. The coming months seem to be marked by uncertainties, instability and a drop in returns.

In your opinion, what can we expect from financial investments in the coming months?

Total (n: 705)

Displayed only if > 2%

<b>NEGATIVE PROJECTIONS</b>	<b>46%</b>
<b>Uncertainty, instability</b>	<b>23%</b>
Volatility, many fluctuations	15%
Uncertainty, will depend on how the health crisis develops	9%
<b>Reduced returns</b>	<b>16%</b>
A drop	12%
A sharp drop	3%
A difficult and worrying situation	5%

**Nothing:**

**6%**

**No**

**answer:**

**30%**

*"I think there is greater risk, but in my opinion it is profitable to list some new companies that are currently not attracting investors because of the health crisis. "*

*"The current economic situation does not encourage a long-term vision. It is important to diversify investments to limit the risks and to try and ensure a level of profitability. "*

*"Increasingly abrupt and erratic developments that are disconnected from the actual results of companies but linked to international crises. "*



*"For my part, there has been a significant drop in the redemption value of my life insurance because of the slump in stock market prices. I think we have to be patient and that prices will pick up in the next few years. We need to think long term and not give in to panic. "*

# Anticipations

The optimists are expecting returns to rise, whether through a catch-up effect or with the expansion of new sectors such as energy.

In your opinion, what can we expect from financial investments in the coming months?

Total (n: 705)

Displayed only if > 2%

POSITIVE PROJECTIONS	25%
Stability	9%
Opportunities to be seized (solid companies, energy sector, environment)	3%
Positive expectations, high returns	3%
Increased returns	10%
An increase	7%
A slight increase	3%

Nothing:

6%

No

answer:

30%

*"There is a risk that the coming years will be difficult for investors and on traditional products, and we are undoubtedly headed for several crises. I believe a lot in new energies and in ecology to put some sense back into this economy which is currently like a giant with clay feet"*

*"There will be great supply but fewer investors and therefore more opportunities"*

*"A market upswing after the health crisis, with a catch-up effect due to the end of the crisis and the arrival of a vaccine"*



*"I want them to pick up again, find new investments on growth markets (green economy, silver economy)"*