

Retirement planning

Longer Term Investments (LTI)

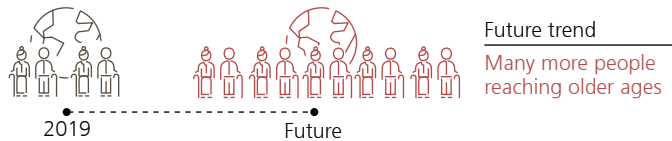
Asset gatherers and life insurers benefit from increasing longevity and an aging society, as it leads to increasing savings gaps. A growing middle class in emerging markets and rising number of high net worth individuals provide additional impetus for the theme.



Projections and opportunities

Increasing longevity

People are living longer across the world. This means that many more people are reaching older ages, a trend that will likely extend into the future.



Source: UBS

Aging society

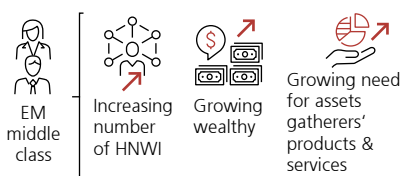
With baby boomers reaching retirement age, the ratio of pension-age to working-age people is increasing. This trend is expected to continue for the foreseeable future and will put strain on pay-as-you-go systems



Source: UBS

Growing middle class in emerging markets

Not only is the number of high net worth individuals (HNWI) increasing, there is also an increasingly wealthy middle class in emerging markets with a growing need for asset gatherers' products and solutions.

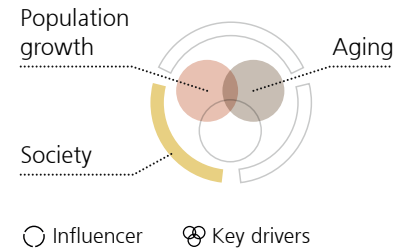


Source: UBS

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Retirement planning investment properties



Near-term drivers

- Hedged long-run inflation risks
- Ongoing consolidation
- Relatively light capital requirements
- Upside potential on trading volumes
- High barriers to entry

Sustainable investing impact

- Companies with meaningful revenue exposure to wealth management services, asset management and life insurance.

Impact investing (UN SDGs)

- SDG 10: Reduced inequalities

Increasing savings gap

With strained public finances, retirees will need to rely increasingly on their own savings for retirement. However, the difference between what is saved and what is needed to finance old age, in particular given higher longevity, remains a concern.



Source: UBS

Structural asset growth

Asset growth is a function of world GDP growth and is thus expected to rise. Historically, global growth in assets under management (AuM) has been 1.4x of nominal GDP growth.



Source: The Boston Consulting Group: Global Wealth Reports, Oxford Economics for nominal GDP figures, UBS. As of June 2018

To learn more contact your financial advisor or go to:
ubs.com/lti



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