

AT A  
GLANCE

PART I

# DEEP-DIVE INTO THE PRIVATE INVESTMENTS OF ELITE ENTREPRENEURS



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Based on the voices of 2,763 Elite Entrepreneurs handling a total net worth of USD16 billion, spanning 23 countries across Europe, Asia, the United States and the Middle East, this exclusive report offers a deep-dive into the private investments of the most successful international entrepreneurs.

## METHODOLOGY

### ON AVERAGE

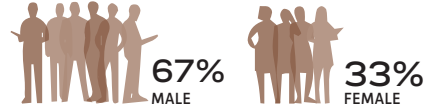
**USD5.8 M**  
NET WORTH

**2.8**  
COMPANIES STARTED

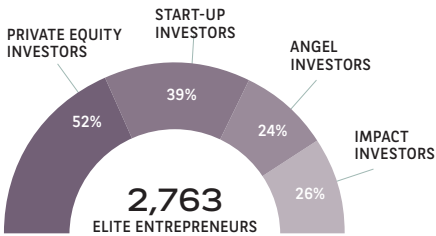
**USD7.0 M**  
TURNOVER OF  
PRIMARY COMPANY

**166**  
EMPLOYEES

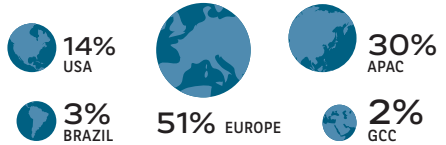
### GENDER



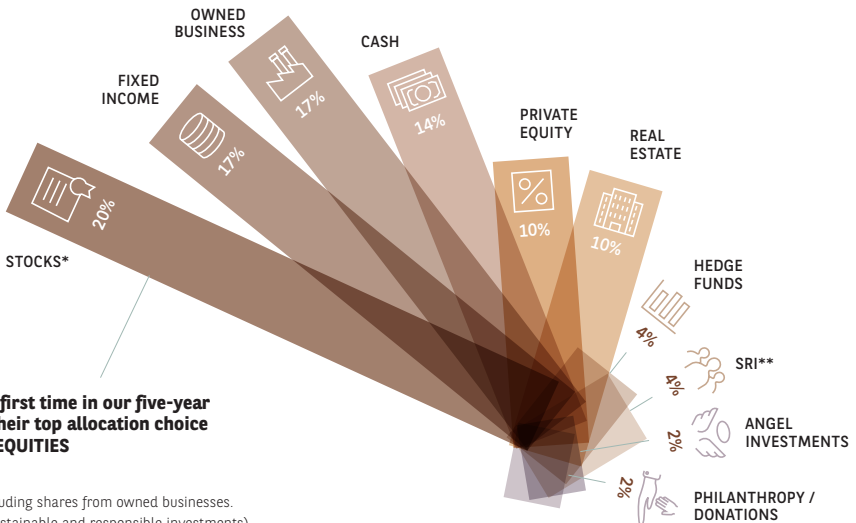
### TOTAL SAMPLE & INVESTORS' PROFILES



### REGIONS



## TYPICAL PORTFOLIO OF THE 2019 ELITE ENTREPRENEUR



**For the first time in our five-year study, their top allocation choice is now EQUITIES**

\* Not including shares from owned businesses.  
\*\* SRI (Sustainable and responsible investments).

## KEY FINDINGS

### HNW entrepreneurs prefer



## PRIVATE EQUITY for direct investments

63% of HNW entrepreneurs use private equity. The country hotspots where entrepreneurial take-up of this asset class is highest are India, Russia, Turkey, Spain and the GCC.

### In the mind of the entrepreneur,



## RESPONSIBLE INVESTING

### is a top five growth opportunity

Across the world, entrepreneurs consistently place sustainable investments in their top five choices for growth potential: those based in China, the UK and Spain are most convinced. UHNW entrepreneurs go further and put sustainable investments in their top two sectors for future investments.

### For the first time in our five-year study,



## EQUITIES are entrepreneurs' top portfolio choice

Successful business owners have responded enthusiastically to rising stock markets and now invest 20.2% of their total wealth in equities – their highest allocation. The exception is UHNW entrepreneurs, whose heaviest weighting remains their own businesses.

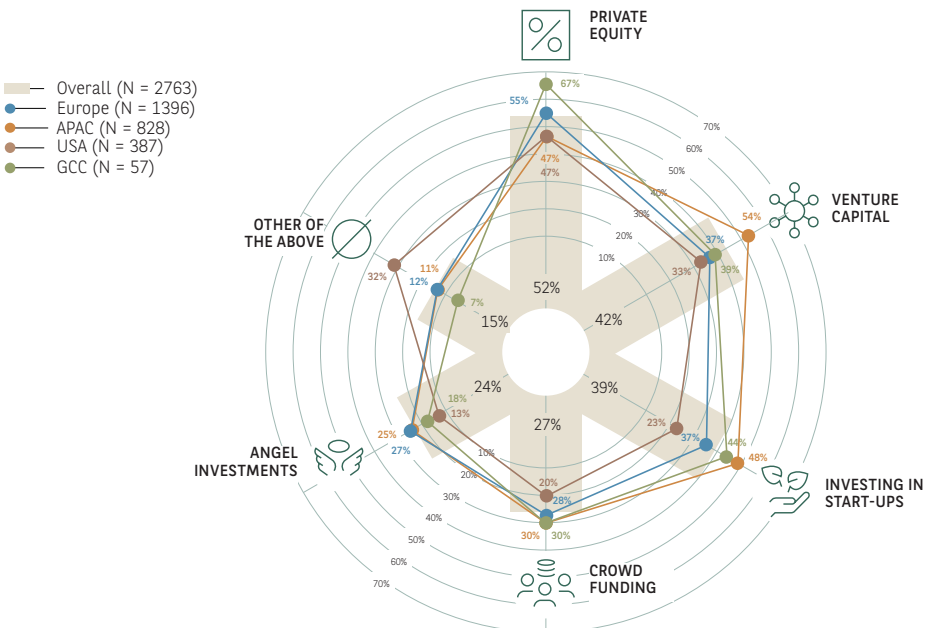
### Technology comes out on top as the global sector favourite



# 55%

of entrepreneurs have invested in technology companies, usually directly or through mutual funds. The appetite for tech is most voracious in Belgium, India and Singapore, where more than seven out of ten hold investments in this sector.

## 2019 ENTREPRENEURS' PRIVATE INVESTMENTS





## BUSINESS ANGEL

# GUIDING THE INNOVATORS

Entrepreneurs that use angel investing to make direct investments into other businesses

Business Angels provide essential capital and wise counsel to the management team of a new firm



### PROFILING



**Population**  
664 Elite  
Entrepreneurs  
(24% of total sample)



**Average age**  
38 years old



**Average Company Revenue**  
USD7.7 million

### KEY FINDINGS

- **63%** invest using this vehicle in order **to benefit from higher investment returns**, while a further **60%** invest to gain exposure to **emerging technologies and innovative business ideas**.
- **HNW entrepreneurs** (USD10-25 million) are most interested in **supporting an early-stage business in their local market**, with 69% indicating this to be the reason why they make angel investments.
- **69% of ultra-high net worth entrepreneurs** (USD25 million and over) assert an interest in **gaining access to emerging technologies**.

### TOP 5 MARKET HOTSPOTS

1	Belgium	36%
2	China	35%
3	India	35%
4	Italy	34%
5	Poland	32%

Source: 2019 BNP Paribas Global Entrepreneur Report

### TOP 5 SECTOR INVESTMENTS

1	Technology	53%	
2	Artificial intelligence	33%	
3	Financial services	26%	
4	Virtual reality	25%	
5	Biotechnology	24%	

### TOP 3 FUTURE SECTOR INVESTMENTS

1	Artificial intelligence	35%	
2	Big data	14%	
3	Virtual reality	13%	



## START-UP SUPPORTERS

# SPOTTING THE NEXT BIG TREND

Entrepreneurs that make direct investments into start-ups, companies created less than 3 years ago



### PROFILING



**Population**  
1,071 Elite  
Entrepreneurs  
(39% of total sample)



**Average age**  
38 years old



**Average Company Revenue**  
USD8.2 million

### KEY FINDINGS

- **Growth potential of the sector** is the most important reason why **more than one in four (26%) entrepreneurs** choose to invest in start-ups.
- For **millennials aged 35 or younger**, the second most important reason driving their appetite for start-up investments is the **growth potential of the home market (14%)**.
- For **Start-Up investors aged 55 and over**, the **robustness of the business plan (17%)** is considered the next most important selection criteria.

### TOP 5 MARKET HOTSPOTS

1	China	55%
2	Indonesia	53%
3	India	53%
4	Poland	51%
5	Spain	49%

Source: 2019 BNP Paribas Global Entrepreneur Report

### TOP SECTORS WHERE START-UP SUPPORTERS RUN THEIR BUSINESSES

1	IT and digital technology	47%
2	Manufacturing and engineering	41%
3	Transport and logistics	39%
4	Retail and culture	36%
5	Financial services	35%

### TOP CRITERIA FOR START-UP SUPPORTERS

1	The growth potential of the sector	26%
2	The growth potential of the home market	15%
3	The robustness of the business plan	14%
4	The appeal of the core product concept	11%
5	The calibre and potential of the founder(s)	8%



## POSITIVE IMPACT SEEKERS

# ENABLING RESPONSIBLE GROWTH

Entrepreneurs with exposure to Sustainable Investments through their investment portfolios



### PROFILING



**Population**  
715 Elite  
Entrepreneurs  
(26% of total sample)



**Average age**  
40 years old



**Average Company Revenue**  
USD6.7 million

### KEY FINDINGS

- Over one in four **entrepreneurs (26%) aged 36 to 54** has exposure to Sustainable Investments through their existing investment portfolio, compared to only **22% of Boomerpreneurs aged 55 and over**.
- More than half invest responsibly using SRI funds and impact investment funds.
- **37% of UHNW entrepreneurs** believe Sustainable and Responsible Investments represent the most promising growth potential in the next five years.

### TOP 5 MARKET HOTSPOTS

1	Taiwan	39%
2	Hong Kong	37%
3	China	35%
4	Spain	32%
5	Singapore	30%

Source: 2019 BNP Paribas Global Entrepreneur Report

### METRICS USED TO MEASURE IMPACT

1	The return on investment	49%
2	Reduction in carbon footprint	41%
3	Improvement in access to healthcare	41%
4	Improved diversity in the workforce	35%
5	Increased access to education	33%
6	Reduction in unemployment	28%
7	Increased supply of microfinance loans	26%
8	Improvement in literacy rate	18%

### VEHICLES TO GAIN EXPOSURE TO SUSTAINABLE INVESTMENTS

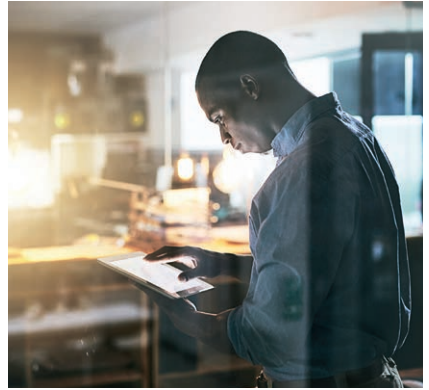
1	Sustainable responsible investment (SRI) funds	60%
2	Environmental, Social and Governance (ESG) screening	54%
3	Impact investment funds	54%
4	Social impact bonds	46%
5	Green bonds	42%



## PRIVATE EQUITY INVESTORS

# HUNTING HIGH RETURNS

Elite Entrepreneurs that use Private Equity as a business investment vehicle to make direct investments into other businesses



### PROFILING



**Population**  
1,437 Elite Entrepreneurs  
(52% of total sample)



**Average age**  
39 years old



**Average Company Revenue**  
USD8.4 million

### KEY FINDINGS

- **63% of HNW entrepreneurs** with a net worth of USD10-25 million have direct exposure to Private Equity investments, compared to **58% of UHNW entrepreneurs** with a net worth of more than USD25 million.
- **46%** of Private Equity investors gain exposure to these investments via a **private equity fund**, while the remainder are split between **direct investments** into unlisted operating companies (28%) and **co-investment deals** (26%).
- **55% of UHNW entrepreneurs rely on professional advisors** (such as family offices, investment consultants and wealth managers) to source private equity investment opportunities, while 27% rely on their own research.

### TOP 5 MARKET HOTSPOTS

1	India	74%
2	Russia	72%
3	Turkey	72%
4	Spain	72%
5	Gulf Cooperation Council (GCC)	67%

Source: 2019 BNP Paribas Global Entrepreneur Report

### TOP MOTIVATIONS

1	To benefit from higher investment returns	26%
2	To improve the value of a business before I sell it at a profit	22%
3	These investments align to my long-term goals	21%
4	To gain exposure to unlisted businesses with high growth potential	18%
5	To reduce the risk of volatility	13%

### SOURCES OF OPPORTUNITIES

1	I rely on my wealth manager/financial advisor	27%
2	I rely on investment consultants	26%
3	I identify opportunities based on my own research	22%
4	I rely on my co-investment partners	16%
5	I rely on a family office	9%

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Elite Entrepreneurs



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## UNDERSTAND, SERVE, AND PROMOTE ENTREPRENEURS

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Our Wealth Management division with EUR377 billion of assets under management is a leading global private bank – the largest private bank in the Eurozone – with offices in three hubs in Europe, Asia and the USA and over 6,800 professionals. Our knowledge of local investment climates and culture makes us the natural wealth management partner for clients wanting to manage, preserve and develop their wealth across borders over the long term. We have been recently recognized Best Private Bank in Europe, Best Private Bank in South-East Asia and Best Private Bank in Western USA.

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