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# WEALTHINSIGHT

Connect to Wealth Through Intelligence

## High Net Worth trends in Canada 2014

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## **About WealthInsight**

The WealthInsight Intelligence Center Database is an unparalleled resource and the leading resource of its kind. Compiled and curated by a team of expert research specialists, the database comprises dossiers on over 110,000 HNWI's from around the world.

The Intelligence Center also includes tracking of wealth and liquidity events as they happen and detailed profiles of major private banks, wealth managers and family offices in each market.

With the database as the foundation for its research and analysis, WealthInsight is able to obtain an unsurpassed level of granularity, insight and authority on the HNWI and wealth management universe in each of the countries and regions it covers.

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# 1 Introduction

## 1.1 Details of this Report

- This report is the result of WealthInsight’s extensive research into the high net worth individual (HNWI) population and wealth management industry in Canada.
- The report focuses on HNWI performance between the end of 2009 and the end of 2013. This provides a clear understanding of how well the country’s HNWIs performed during the financial crisis.
- For the purposes of this report, the phrase “coverage period” refers to 2009–2018, while the “review period” covers 2009–2013 and the “forecast period” covers 2014–2018.
- The report reviews the performance and asset allocations of Canadian HNWIs and UHNWIs and highlights the top-performing cities. It also includes an evaluation of the local wealth management industry.
- This report categorizes the HNWI population across five wealth bands, as defined in Table 1.
- Canadian HNWIs include all individuals permanently living in Canada, as well as Canadian-born individuals who have chosen to live elsewhere but still operate businesses within the country.
- For the purposes of this report, wealth is defined as the net value of assets, which includes both financial holdings and tangible assets. This comprises alternative assets, real estate (excluding the primary residence), cash and deposits, fixed-income, equities and business interests.
- The demographic details in this study are based on a sample of 2,795 Canadian HNWIs from the WealthInsight database.

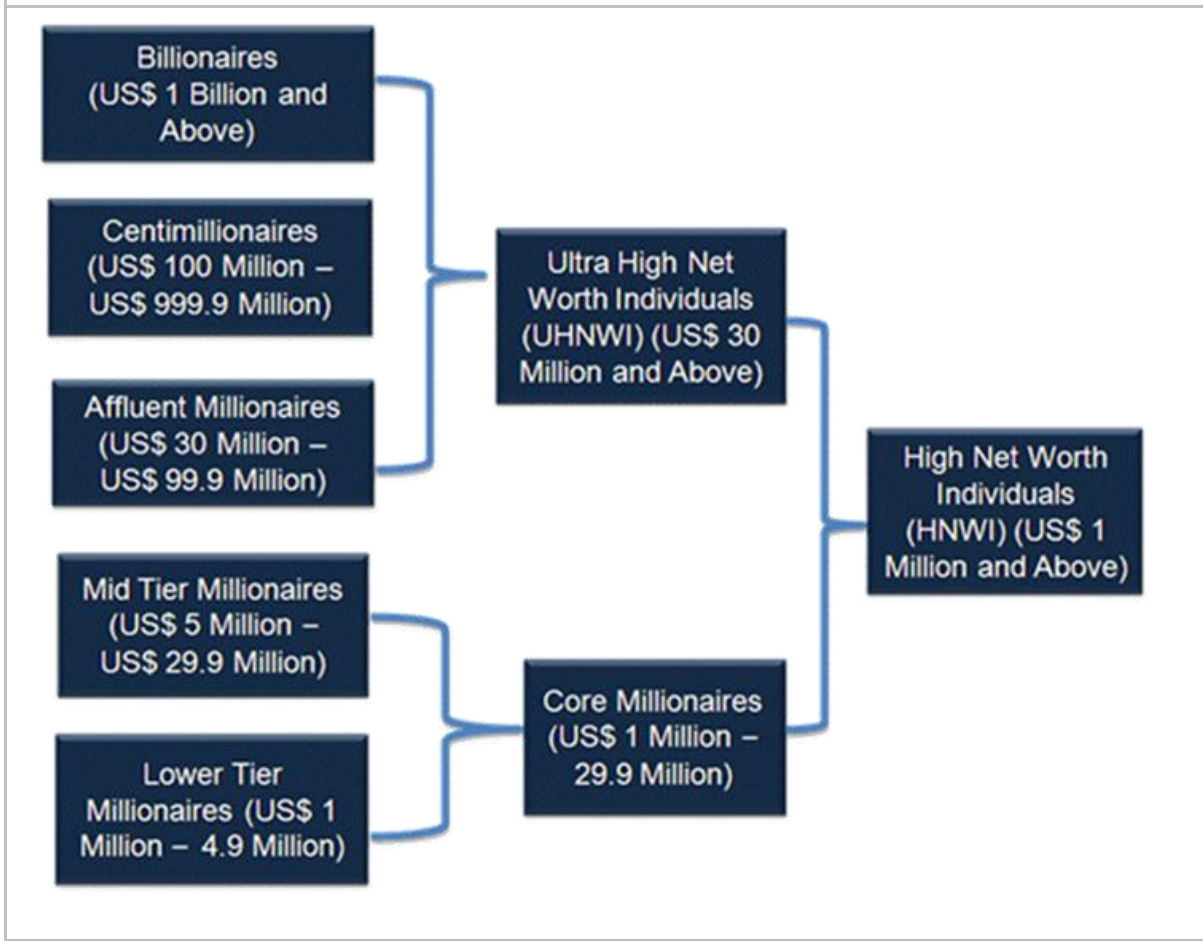
## 1.2 Definitions

- “Wealth management” is defined as the provision of banking services to wealthy individuals and their families. It generally involves the management of trusts and inheritance, and the allocation of client funds.
- A “private bank” is defined as a division of the banking group that provides wealth management services.
- A “wealth manager” is defined as a specialist wealth management service provider.
- A “family office” is defined as a wealth management company that focuses on a single HNWI or a small group of selected HNW clients.
- “Investable assets” include all assets except business interests, whereas “liquid assets” are defined as all assets that can be immediately cashed in.

**Table 1: HNWI Wealth Band and Group Definitions**

<b>Wealth Band</b>	<b>Definition</b>
<b>Billionaires</b>	Billionaires are HNWI with wealth of US\$1 billion or more, including equities, bonds, cash and deposits, fixed-income products, real estate (excluding primary residence), alternative assets and business interests.
<b>Centimillionaires</b>	Centimillionaires are HNWI with wealth of between US\$100 million and less than US\$1 billion, including equities, bonds, cash and deposits, fixed-income products real estate (excluding primary residence), alternative assets and business interests.
<b>Affluent Millionaires</b>	Affluent millionaires are HNWI with wealth of between US\$30 million and less than US\$100 million, including equities, bonds, cash and deposits, fixed-income products, real estate (excluding primary residence), alternative assets and business interests.
<b>Mid-Tier Millionaires</b>	Mid-tier millionaires are HNWI with wealth of between US\$5 million and less than US\$30 million, including equities, bonds, cash and deposits, fixed-income products, real estate (excluding primary residence), alternative assets and business interests.
<b>Lower-Tier Millionaires</b>	Lower-tier millionaires are HNWI with wealth of between US\$1 million and less than US\$5 million, including equities, bonds, cash and deposits, fixed-income products, real estate (excluding primary residence), alternative assets and business interests.
<b>Wealth Group</b>	<b>Definition</b>
<b>HNWIs</b>	The HNWI wealth group comprises all studied wealth bands. It represents those individuals with wealth of US\$1 million or more, including equities, bonds, cash and deposits, fixed-income products, real estate (excluding primary residence), alternative assets and business interests.
<b>UHNWIs</b>	The UHNWI wealth group comprises the billionaire, centimillionaire and affluent millionaire wealth bands. It represents those individuals with wealth of US\$30 million or more, including equities, bonds, cash and deposits, fixed-income products, real estate (excluding primary residence), alternative assets and business interests.
<b>Core HNWIs</b>	The core HNWI group comprises the mid-tier millionaire and lower-tier millionaire wealth bands. It represents those individuals with wealth of between US\$1 million and less than US\$30 million, including equities, bonds, cash and deposits, fixed-income products, real estate (excluding primary residence), alternative assets and business interests.
<b>Source: WealthInsight</b>	
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Figure 1: HNWI Wealth Band Definitions



Source: WealthInsight

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Figure 2: Map of Canada



Source: CIA Factbook

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## **2 About WealthInsight**

WealthInsight provides detailed data and insightful analysis on the world's HNWI and wealth sector. With decades of experience providing business information, WealthInsight helps organizations to make informed decisions and win new business.

At WealthInsight's core is its proprietary HNWI Database of the world's wealthiest individuals. Around this database WealthInsight has built a number of valuable research-based products and services that make WealthInsight much more than just a rich contact list.

WealthInsight works with and provides solutions for:

- Wealth managers
- Private banks
- Family offices
- Technology providers
- Professional services – consultants, accountants, lawyers and real estate professionals
- Fund managers, hedge fund managers, asset managers, venture capitalists
- Non-profit and educational institutions

WealthInsight's corporate headquarters are located in London, with offices in New York, San Francisco, Sydney, Seoul and Hong Kong.

For more information on WealthInsight please visit [www.wealthinsight.com](http://www.wealthinsight.com)

### **Reports**

WealthInsight publishes high-quality research reports focused on the wealth sector. The reports provide comprehensive analysis of countries, regions and special topics.

With the HNWI Database as the foundation for its primary research and analysis, WealthInsight is able to obtain an unsurpassed level of granularity, insight and authority on the HNWI universe in each of the countries and regions covered.

All reports are available as a part of the WealthInsight Intelligence Centre. Reports can also be purchased on a subscription or one-off basis.

Every WealthInsight report is uniquely formulated for the region, country or topic covered.

Key features of the reports include:

- Market sizing
- Forecasting
- Benchmarking
- HNWI asset allocation
- Behavioral mapping
- Family offices

### **Methodology**

WealthInsight's teams of in-house analysts devise and collect data over a historical period of five years and develop forecasts for a five-year forecast period. All WealthInsight wealth reports are rigorously sourced and created according to a comprehensive methodological process:

### **Internal audit**

- Review of in-house databases to gather existing data:
  - Historic market databases and reports
  - HNWI Database
  - Wealth management, private bank and family office database
  - Financial deals and news archive

### **Secondary research**

- Collection of the latest market-specific data from a wide variety of industry sources:
  - Government statistics
  - Industry associations
  - Company filings
  - Broker reports
  - International organizations

**Primary research**

- Review of the latest wealth management and private banking industry trends
- Surveys using panels compiled from across the wealth sector:
  - Wealth management and private banking professionals
  - Financial services experts
  - HNWIs

**Expert opinion**

- Collation of opinion taken from WealthInsight interviews of leading industry experts
- Analysis of third-party opinion and forecasts:
  - Broker reports
  - Industry associations
  - Wealth management and private banking media
  - Official government sources
  - Leading academic research and commentary

**Data consolidation and verification**

- Consolidation of data and opinion to create historical datasets
- Creation of models to benchmark data across sectors, asset classes and geographies

**Market forecasts**

- Feed of forecast data into market models:
  - Macroeconomic indicators
  - Industry-specific drivers
- Analysis of the WealthInsight HNWI Database and Wealth sector company databases to identify key trends:
  - Latest wealth trends
  - Key drivers of the wealth management industry



**Report writing**

- Analysis of market data
- Discussion of company and industry trends and issues
- Integration of survey results
- Annual review of financial deals and wealth management trends
- Standardization of market definitions using recognized industry classifications

**Quality control**

- Peer review
- Senior-level QC
- Random spot checks on data integrity
- Benchmark checks across databases
- Market data cross-checked for consistency with accumulated data from:
  - Internal databases
  - Company filings

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