



Press release

Standard Chartered Survey: Hong Kong affluent investors switch to emerging asset classes to outpace inflation

3 January 2023, Hong Kong –Standard Chartered’s latest survey on the shifts in investment decisions for Hong Kong’s affluent investors revealed that high inflation is prompting movements in the allocation of funds out of cash and equities, into emerging asset classes such as sustainable investments and digital assets¹.

The Wealth Expectancy Report 2022 covers 14 growth markets across Asia, Africa and the Middle East, including Hong Kong. The survey interviewed more than 15,000 emerging affluent, affluent, and high net worth (HNW) investors on how they are managing their wealth amid a highly uncertain outlook. Survey results show that 54% of Hong Kong investors are actively managing their wealth and making changes to their investment strategies to cope with the challenging market conditions.

To outpace inflation, 55% of Hong Kong investors surveyed indicated a plan to reduce cash holdings in the coming year. In doing so, this will result in an estimated portfolio allocation to cash fall from 23.3% in 2022 to 17.5% next year. As market volatility increases, investors are also considering lowering their portfolio allocation to equities from 17.8% in 2022 to 12.9% in 2023.

The research also indicates that while adjusting their existing asset allocation, investors are considering diversifying their portfolios further by investing in emerging asset classes. In Hong Kong, 60% of investors are already putting their money in sustainable investments. The major drivers of this trend according to respondents are “the belief that it is necessary to invest in the future”, “the positive feeling they have when they invest in things good for the planet and society” and “the increased confidence in green energy given the increase in fossil fuel prices”. Meanwhile, 45% of Hong Kong investors surveyed are looking to do more sustainable investments in the coming year.

Despite the recent turbulence in the crypto market, the research revealed that nearly half of Hong Kong investors surveyed are currently investing in digital assets. Over 50% of Hong Kong investors plan to increase their investments in digital assets in the coming year as they consider this

investment as a good tool for diversification, driven by the fact that they have seen others making significant returns from them².

Alson Ho, Head of Wealth Management, Hong Kong, Standard Chartered, said, “In response to inflation and other factors that trigger global uncertainty, investors are making changes to their portfolio allocations from traditional assets to emerging asset classes such as sustainable investments and digital assets. Retail investors in Hong Kong have demonstrated a strong interest in sustainable investments in recent years with ESG product sales and AUM contribution record steady growth over the years. Last year, Standard Chartered Hong Kong had onboarded two sustainable funds to meet our clients’ need for this kind of investment. As high inflation and rising risks of a global recession continue to make the market situation uncertain, the team of wealth management specialists at Standard Chartered are available to provide personalised advice, in line with our clients’ goals. We want to help our clients better respond to market changes when planning their portfolio allocations, helping them ride out the current market conditions and achieve their long-term goals.”

Click [here](#) for the full report.

Remarks

1. The survey defined digital assets as including cryptocurrency such as bitcoin, NFTs, tokens and others.
2. The survey was conducted online between 26 September and 18 October 2022.

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