



*Millionaire Investor Insights
Annual Survey*

November 2010



About the Study

Background

- The Private Client Reserve of U.S. Bank Millionaire Investor Insights Annual Survey monitors the investment attitudes, behaviors, risk profile and strategies of millionaire investors in the United States.

Methodology

- National survey was conducted online for U.S. Bank by Harris Interactive between September 27 and October 15, 2010
- Survey conducted among 1,609 individuals with \$1 million or more in household investable assets (excluding primary and secondary residence and assets held in employer-sponsored retirement plans)
- Includes an oversample of eight markets: Cincinnati, Denver, Los Angeles, Milwaukee/Madison, Minneapolis/St. Paul, Portland, St. Louis and Seattle
- Data weighted for age, sex, race/ethnicity, education, region, household income and investable assets where necessary to bring results in line with actual proportions in the high net worth population of U.S. residents age 18 or older
- Propensity score weighting was also used to adjust for respondents' propensity to be online

Executive Summary

Investor Outlook

- Millionaires are guardedly optimistic about the U.S. economy for 2011 and achieving their short-term investment goals
- Millionaires are more confident about achieving their long-term investment goals

Investor Behavior

- Millionaires have not abandoned the stock market and are looking for opportunities

Risk Appetite

- Millionaires did not panic and become risk averse — they have a balanced mix of risk and stability
- Millionaires' primary motivation for investing is maintaining or growing wealth rather than protecting from losses

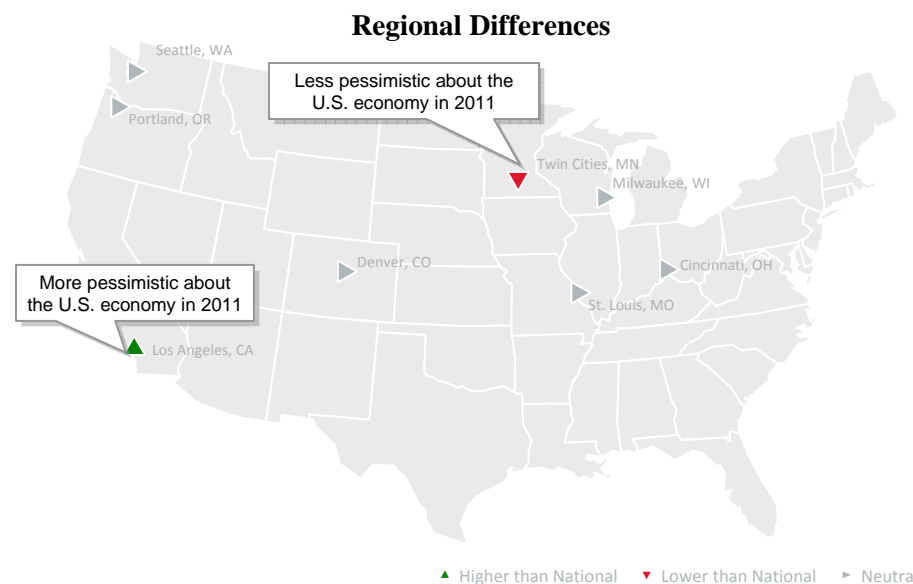
Decision Making

- Millionaires are personally involved in investment strategies and decisions
- Millionaires take their investment cues from U.S. stock market performance more than other external influencers

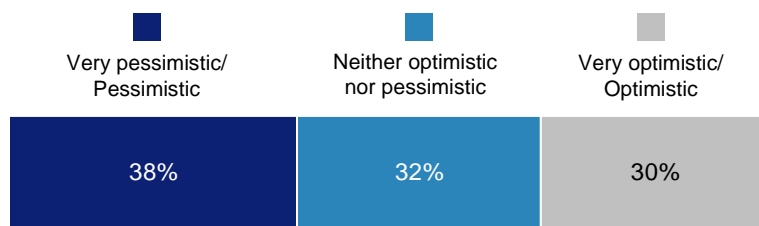
Advisory Relationship

- Millionaires are satisfied with and remain loyal to their financial advisors

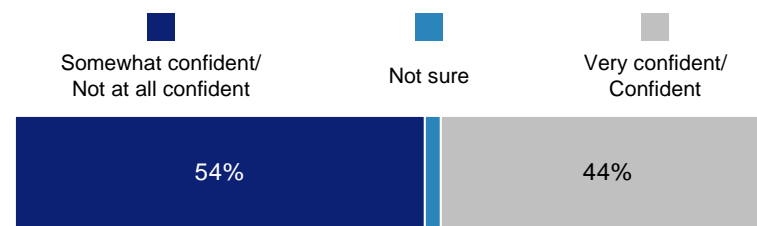
Millionaires are guardedly optimistic about the U.S. economy for 2011 and achieving their short-term investment goals



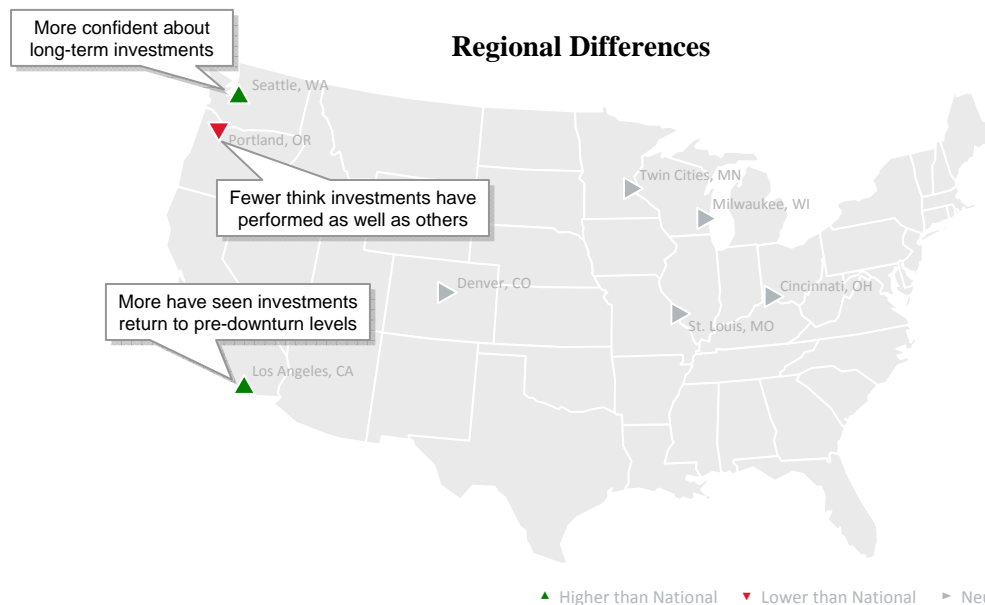
- 30% are optimistic about the U.S. economy for 2011



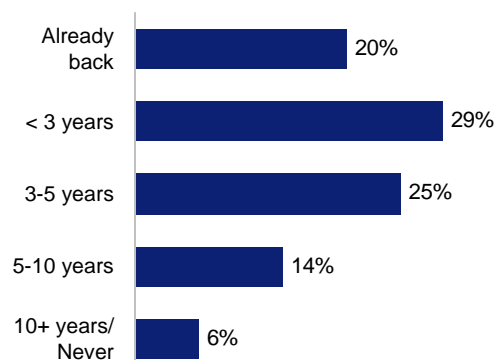
- 44% are very confident/confident about achieving their short-term investment goals (2-5 years)



Millionaires are more confident about achieving their long-term investment goals

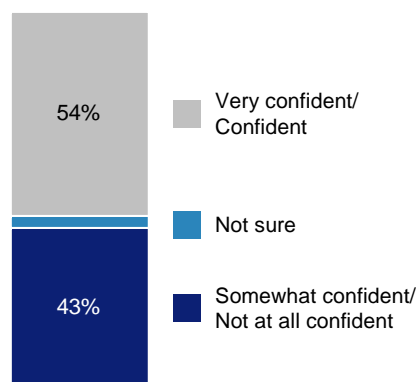


- 20% have seen their investments return to pre-downturn levels

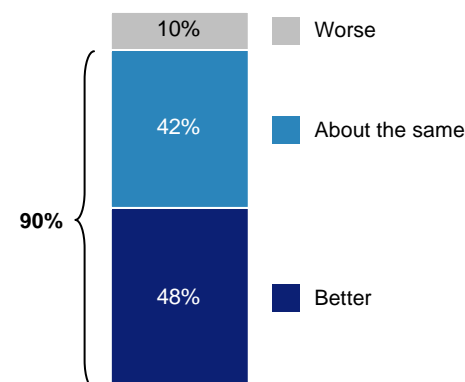


(Not sure = 6%)

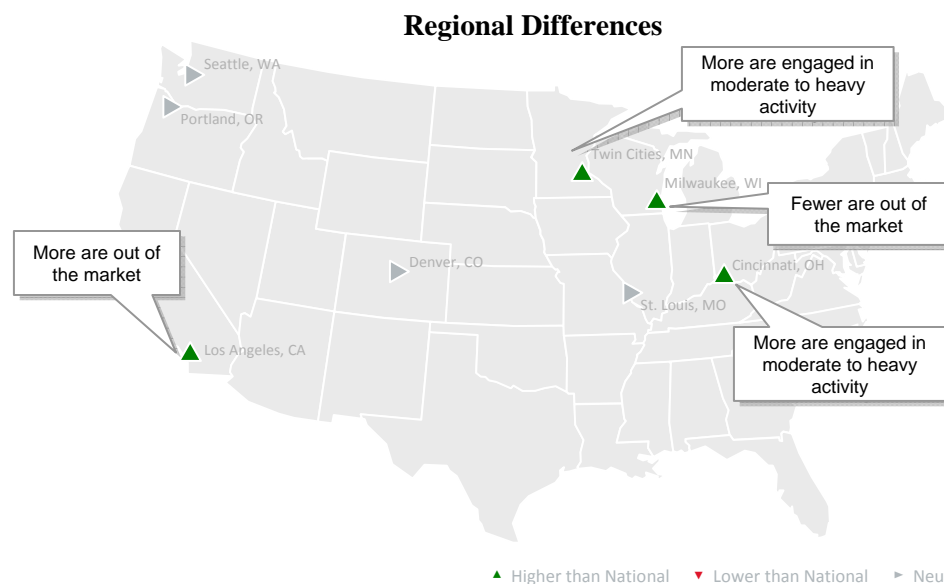
- 54% are very confident/confident about achieving their long-term investment goals (6-10 years)



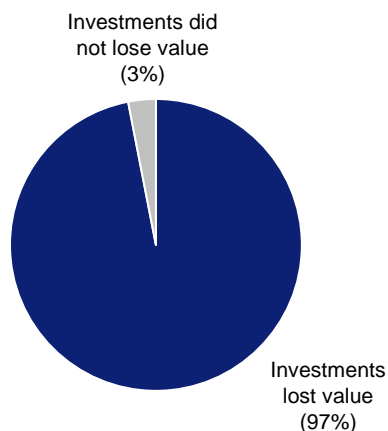
- 90% think their investments have performed the same or better than others since 2008



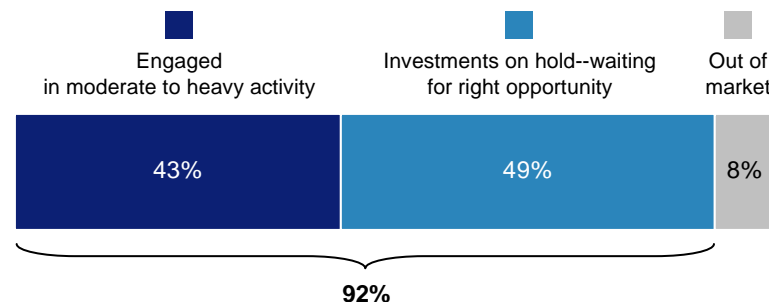
Millionaires have not abandoned the stock market and are looking for opportunities



- 97% lost value on their investments in the last 3 years

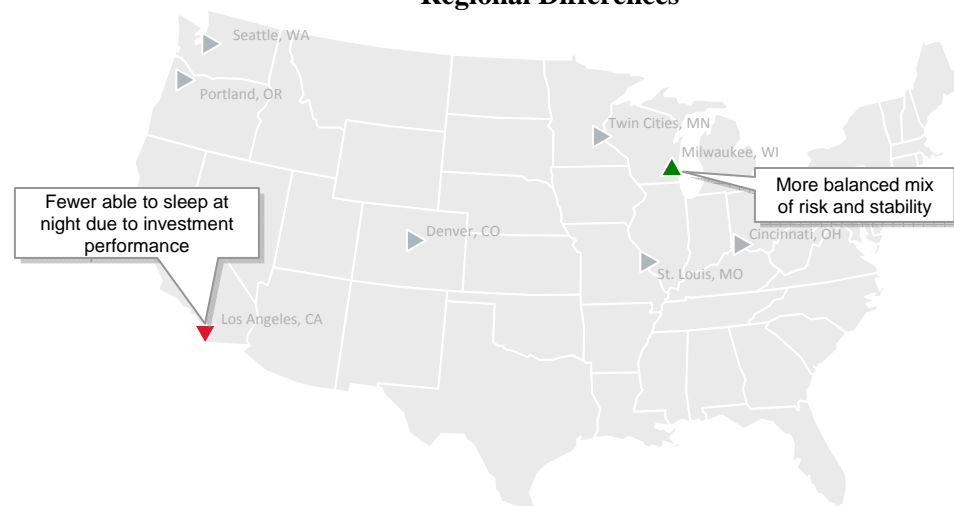


- 92% have not abandoned the market – either actively engaged or waiting for right opportunity



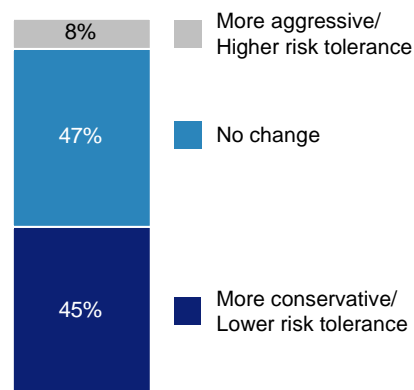
Millionaires did not panic and become risk averse – they have a balanced mix of risk and stability

Regional Differences

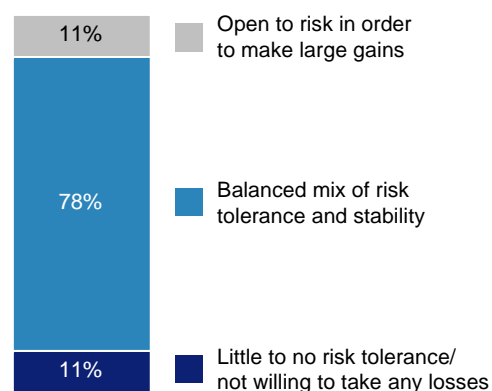


▲ Higher than National ▼ Lower than National ► Neutral

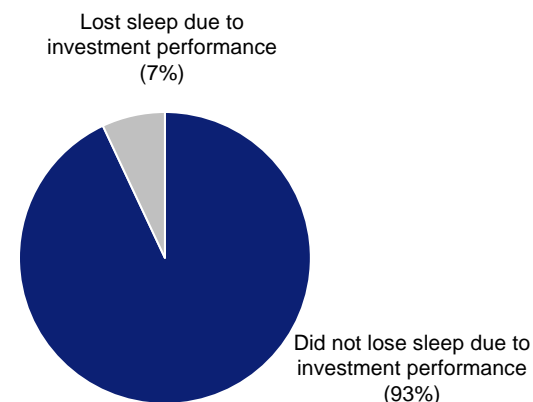
- 45% have become more conservative and lowered their risk tolerance



- 78% have a balanced mix of risk tolerance and stability

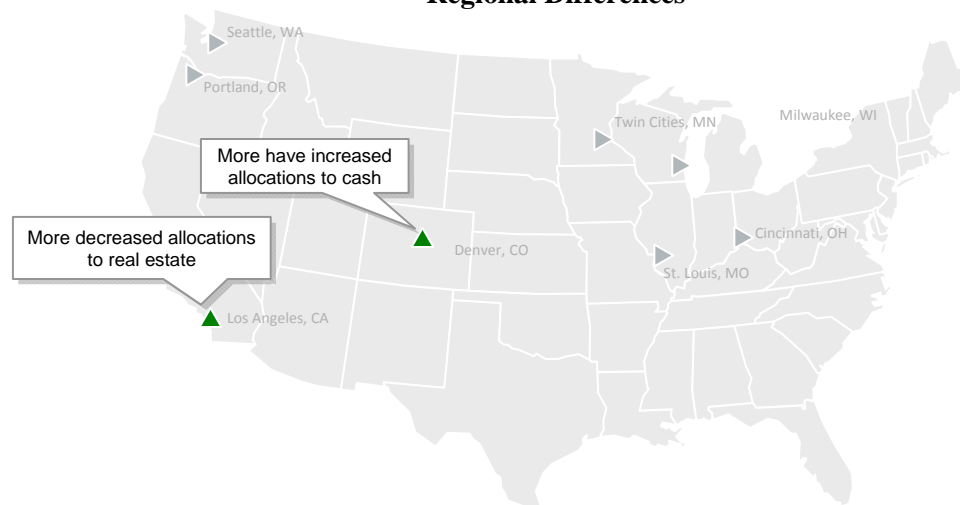


- 93% say worries about investment performance have not caused them to lose sleep at night



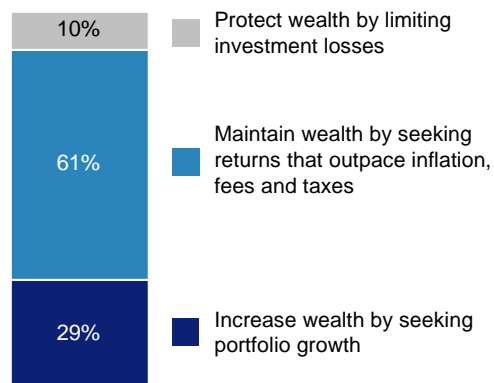
Millionaires' primary motivation for investing is maintaining or growing wealth rather than protecting from losses

Regional Differences

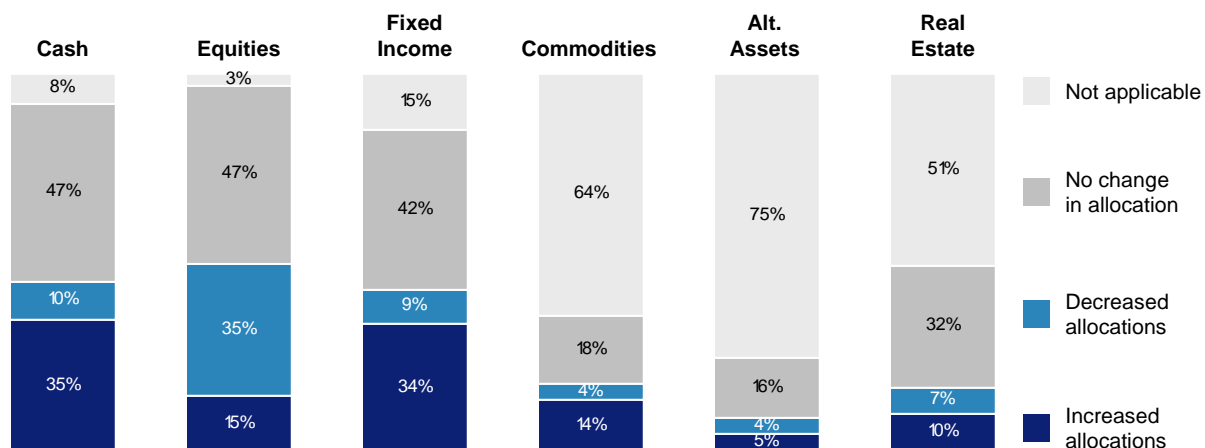


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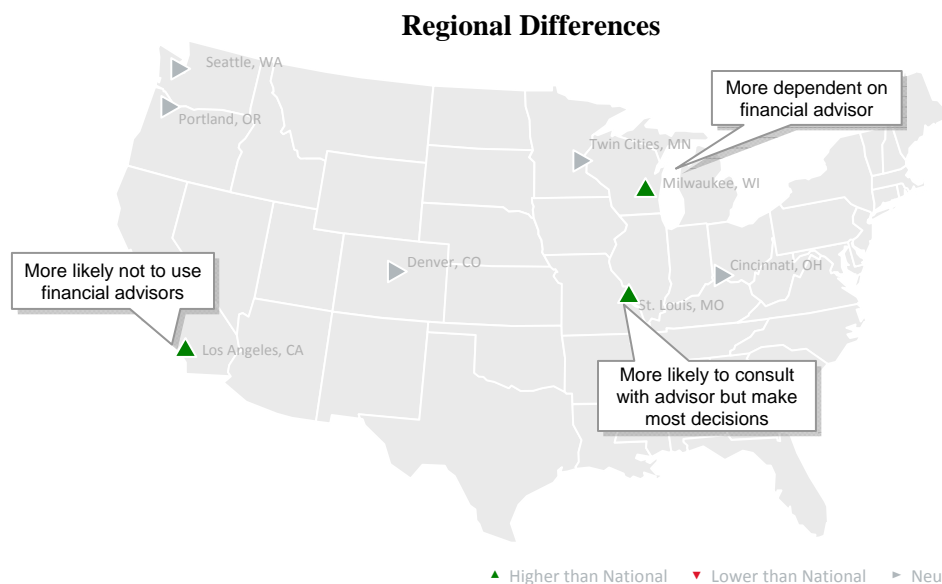
- 61% cite maintaining wealth as their primary motivation for investing



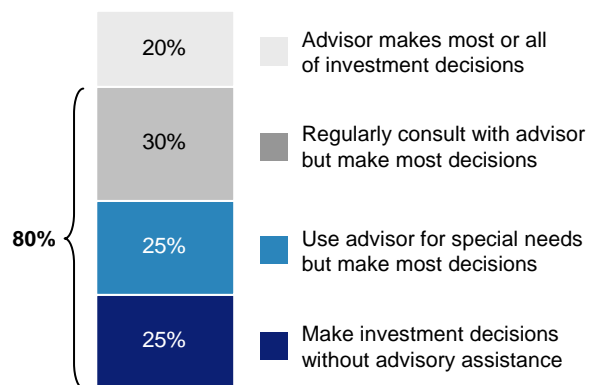
3-Year Change in Portfolio Allocations



Millionaires are personally involved in investment strategies and decisions

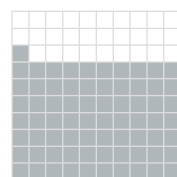


- 80% are personally involved in making investment decisions

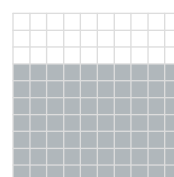


Statements About Attitudes Towards Investment Management

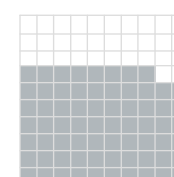
% Strongly Agree/Agree



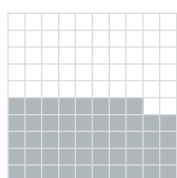
71%
get advice from others about how to invest but go with their own instincts



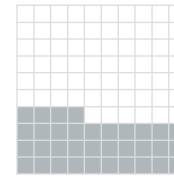
70%
trust their financial advisor to help grow their investments



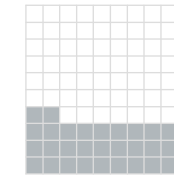
68%
have the skills and talent to manage investments on their own



48%
feel it is important to spread investments among more than one advisor to diversify

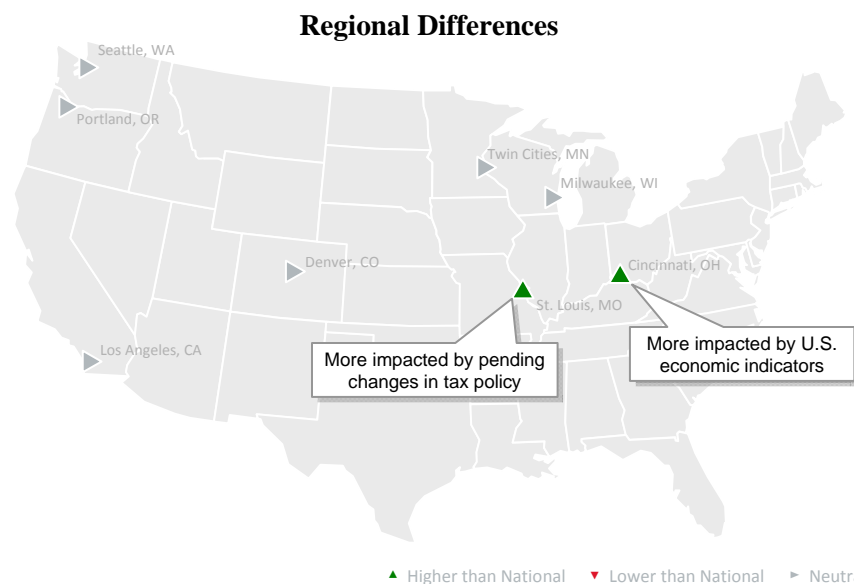


34%
are afraid of getting bad advice from their financial advisor

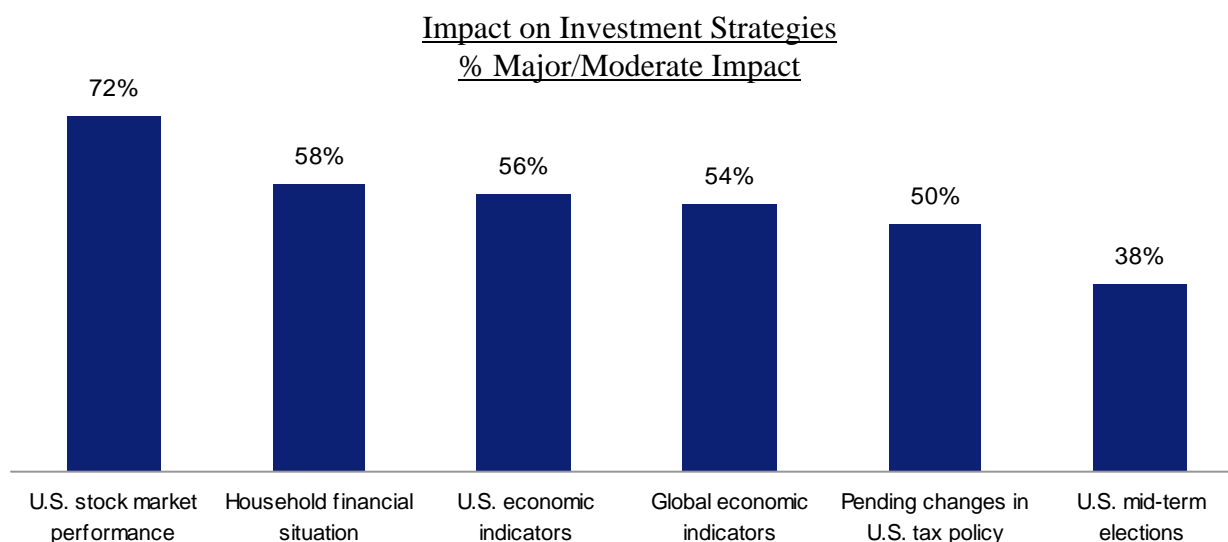


32%
don't have time to manage investments on their own

Millionaires take their investment cues from U.S. stock market performance more than other external influencers

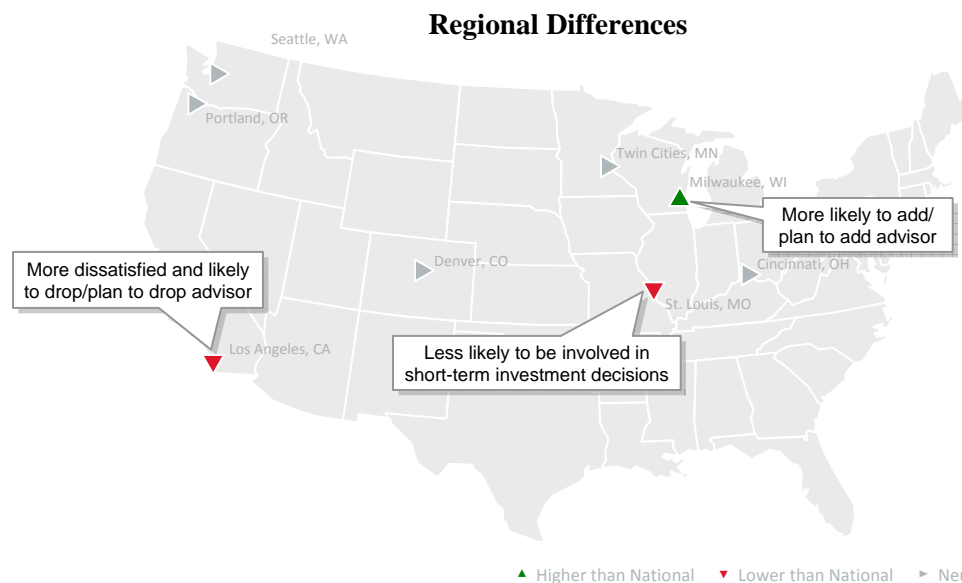


- 72% influenced by U.S. stock market performance
- 56% influenced by U.S. economic indicators
- 50% influenced by pending changes in U.S. tax policy

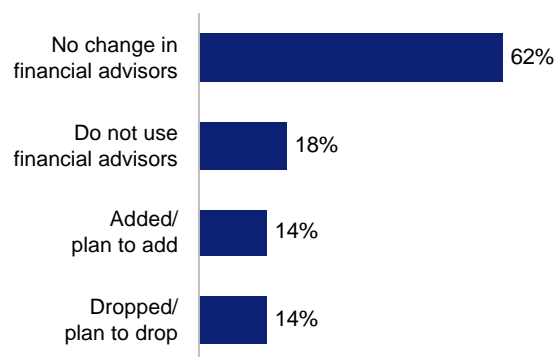


Note: allows for multiple selections.

Millionaires are satisfied with and remain loyal to their financial advisors

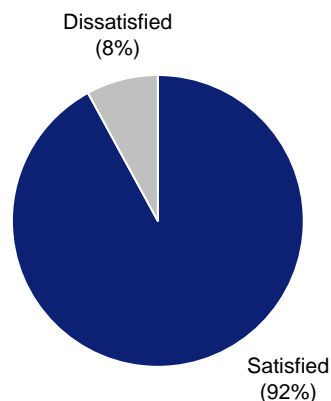


- 62% have stayed with the same financial advisor(s) for the past 3 years

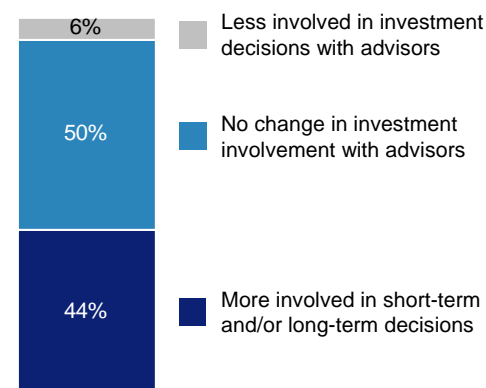


Note: allows for multiple selections.

- 92% are satisfied with their primary financial advisor



- 50% have made no change in their investment involvement with their advisors over the last 3 years



Appendix

Market Profiles

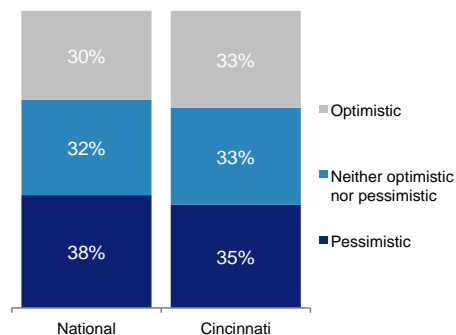
- Cincinnati*
- Denver*
- Los Angeles*
- Milwaukee/Madison*
- Minneapolis/St. Paul*
- Portland*
- St. Louis*
- Seattle*

Market Profile: Cincinnati

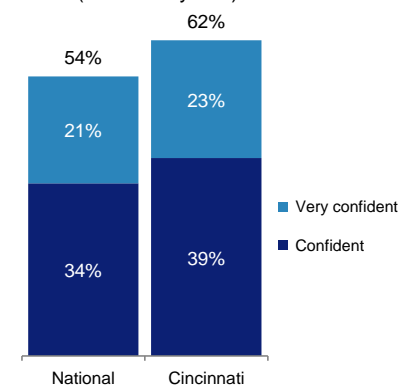
Cincinnati Millionaires:

- Are guardedly optimistic about the U.S. economy in 2011, like millionaires nationwide
- More than six in ten are confident about achieving their long-term investment goals.
- More likely to be engaged in the market right now than their nationwide peers
- Like the rest of the country, they have a balanced risk tolerance and during the past three years say they have become more conservative in their investment approach

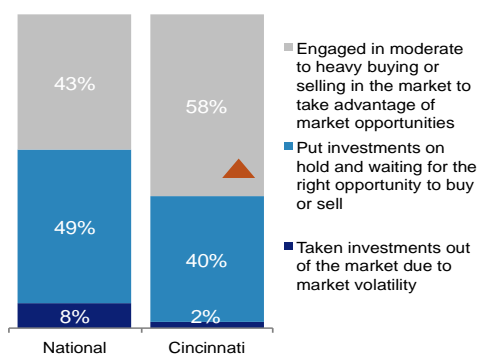
Road to Recovery in 2011



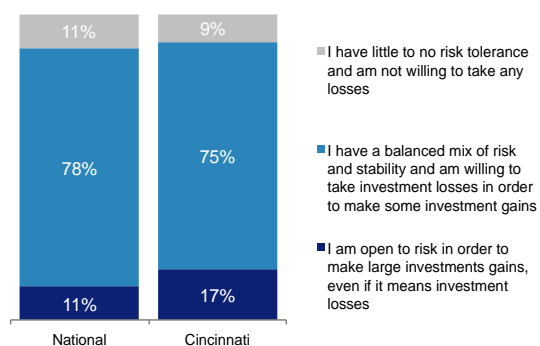
Confidence in Long-Term Investment Goals (next 6-10 years)



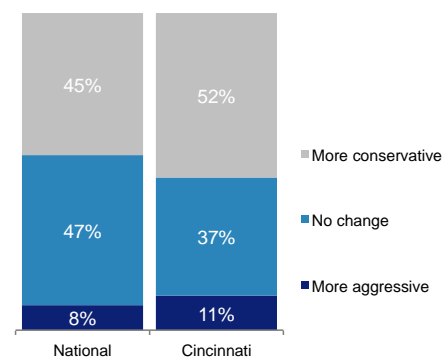
Current Investment Behavior



Risk Tolerance



Change in Risk Tolerance During Past Three Years



Sample size: 1,609 National; 81 Cincinnati

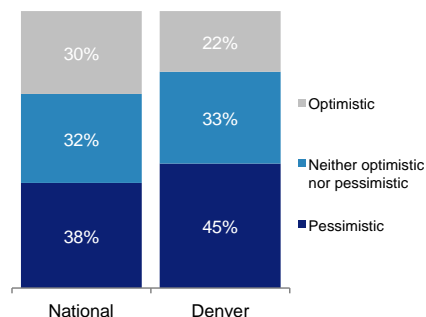
▲ ▼ Higher/lower than National

Market Profile: Denver

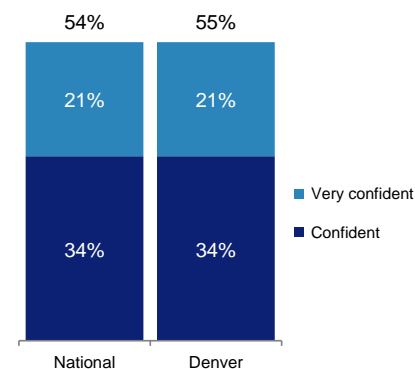
Denver Millionaires:

- Are guardedly optimistic about the U.S. economy in 2011, like millionaires nationwide
- Slightly more than half are confident about achieving their long-term investment goals
- Have a slightly more balanced risk tolerance than their nationwide peers
- During the past three years, say they have become more conservative in their investment approach

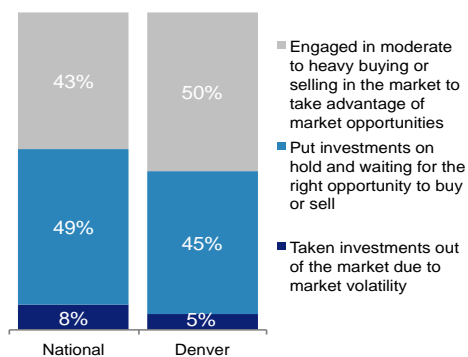
Road to Recovery in 2011



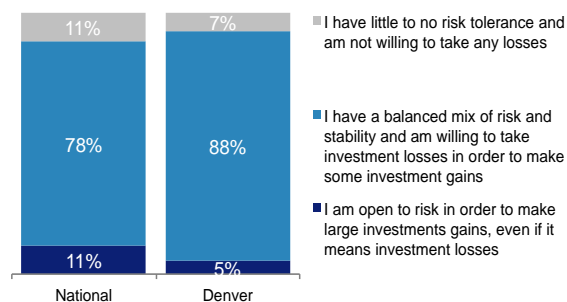
Confidence in Long-Term Investment Goals (next 6-10 years)



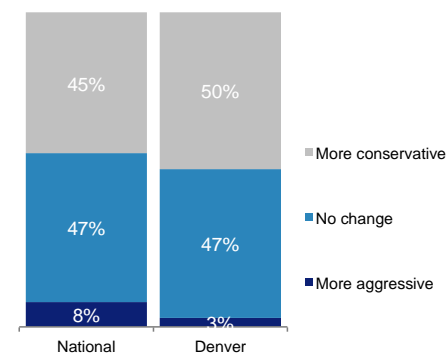
Current Investment Behavior



Risk Tolerance



Change in Risk Tolerance During Past Three Years



Sample size: 1,609 National; 83 Denver

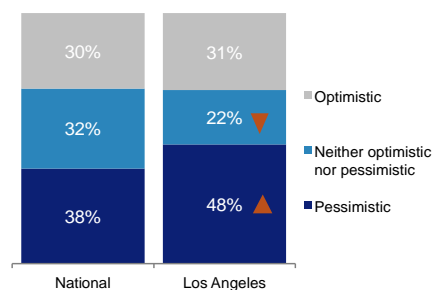
Higher/lower than National

Market Profile: Los Angeles

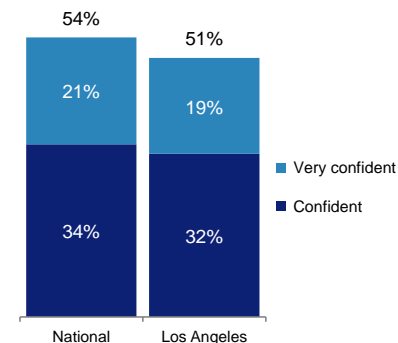
Los Angeles Millionaires:

- Are significantly more pessimistic about the U.S. economy in 2011 than millionaires nationwide
- Are slightly less confident than nationwide peers about achieving their long-term investment goals
- One in ten took their investments out of the market due to market volatility
- Nearly one in five say they have little to no risk tolerance and are not willing to take any losses

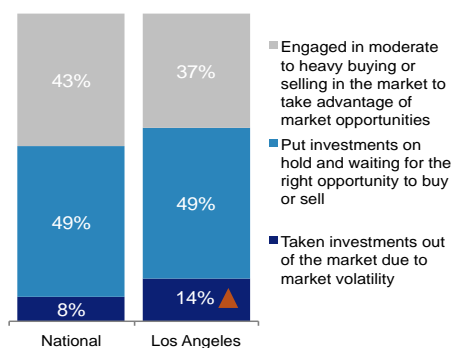
Road to Recovery in 2011



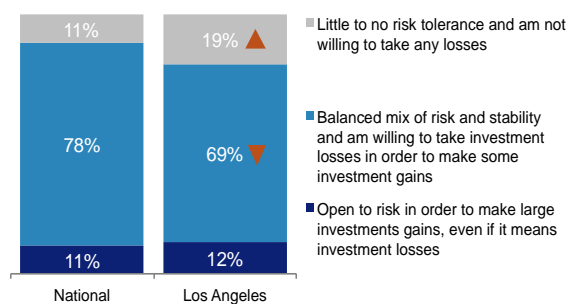
Confidence in Long-Term Investment Goals (next 6-10 years)



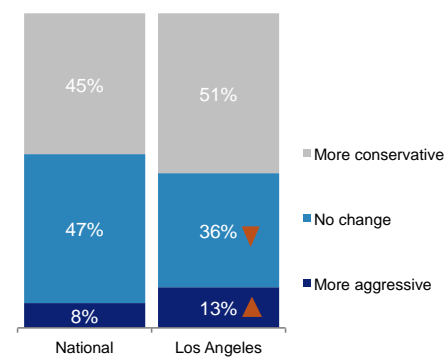
Current Investment Behavior



Risk Tolerance



Change in Risk Tolerance During Past Three Years



Sample size: 1,609 National; 150 Los Angeles

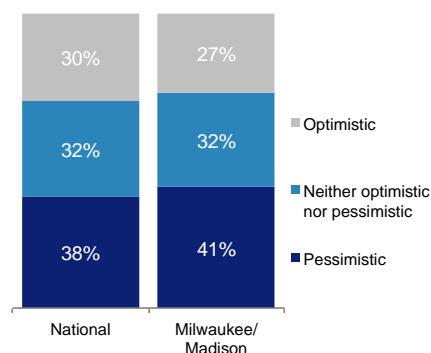
▲ ▼ Higher/lower than National

Market Profile: Milwaukee/Madison

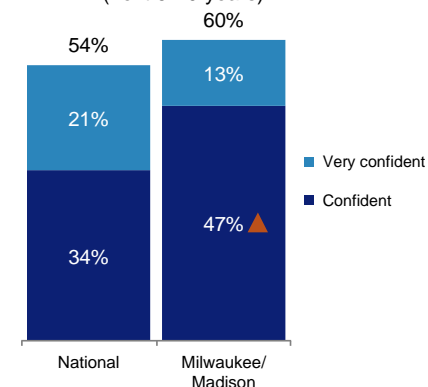
Milwaukee/Madison Millionaires:

- Are slightly less optimistic about the U.S. economy in 2011 than millionaires nationwide
- Have more confidence than their nationwide peers about achieving their long-term investment goals
- Only four percent say they have little to no risk tolerance and are not willing to take any losses
- Slightly more say they have become more conservative in their investment approach than millionaires nationwide

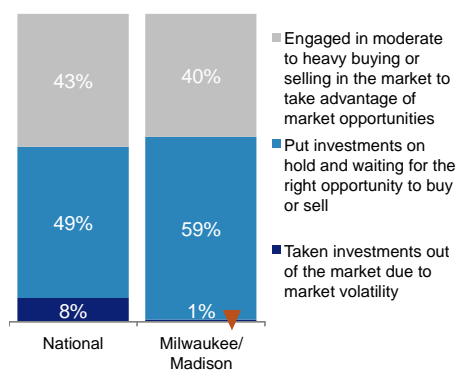
Road to Recovery in 2011



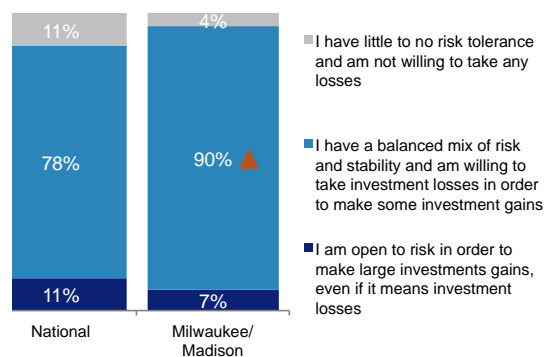
Confidence in Long-Term Investment Goals (next 6-10 years)



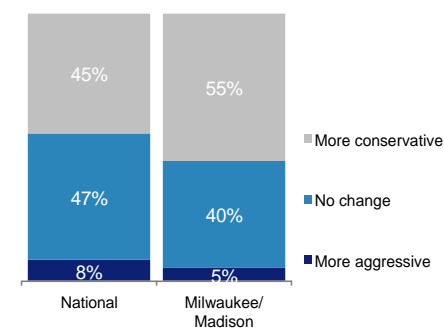
Current Investment Behavior



Risk Tolerance



Change in Risk Tolerance During Past Three Years



Sample size: 1,609 National; 88 Milwaukee/Madison

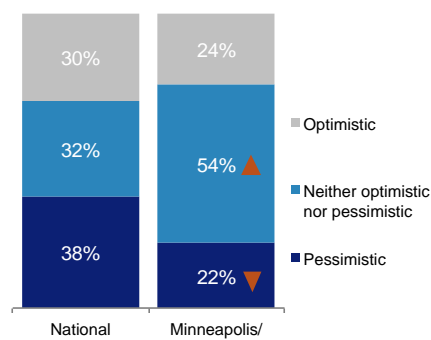
▲ ▼ Higher/lower than National

Market Profile: Minneapolis/St. Paul

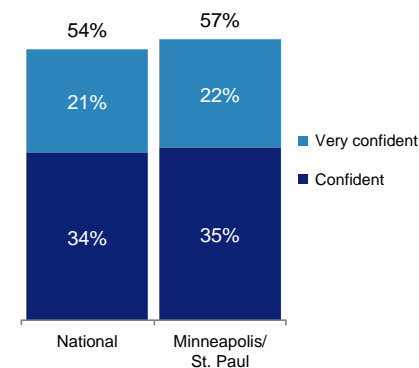
Minneapolis/St. Paul Millionaires:

- Are more likely to be neutral on their outlook for the U.S. economy in 2011 and significantly less pessimistic than their nationwide peers
- Nearly six in ten are confident about achieving their long-term investment goals
- Are significantly more engaged in moderate to heavy buying and selling in the market than millionaires nationwide
- Have a slightly more balanced risk tolerance than their nationwide peers

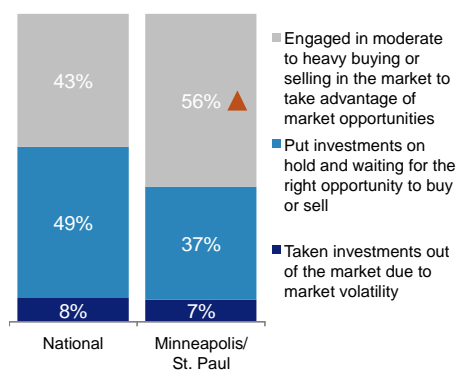
Road to Recovery in 2011



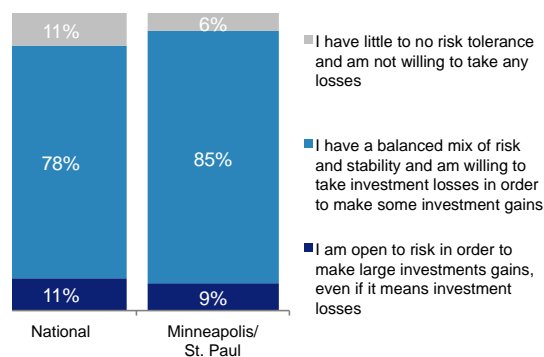
Confidence in Long-Term Investment Goals (next 6-10 years)



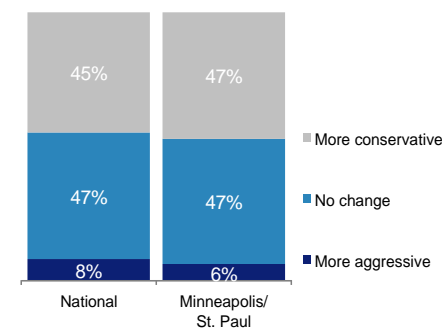
Current Investment Behavior



Risk Tolerance



Change in Risk Tolerance During Past Three Years



Sample size: 1,609 National; 85 Minneapolis/St. Paul

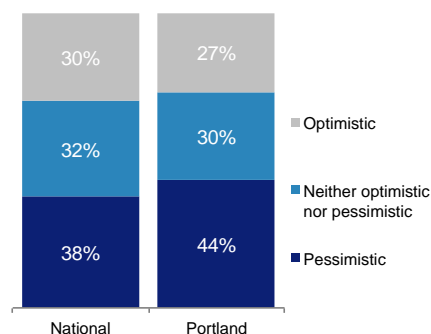
▲ ▼ Higher/lower than National

Market Profile: Portland

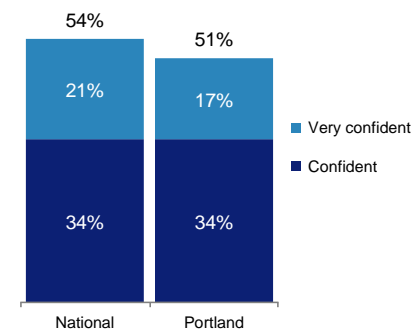
Portland Millionaires:

- Are slightly more pessimistic about the U.S. economy in 2011 than millionaires nationwide
- Half are confident about achieving their long-term investment goals, similar to their nationwide peers
- Six in ten say they have put their investments on hold, waiting for the right opportunity to buy or sell
- Slightly more say they have become more conservative in their investment approach than millionaires nationwide

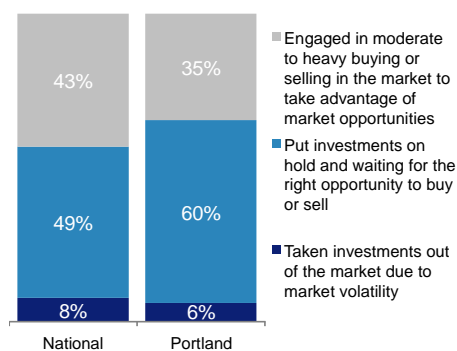
Road to Recovery in 2011



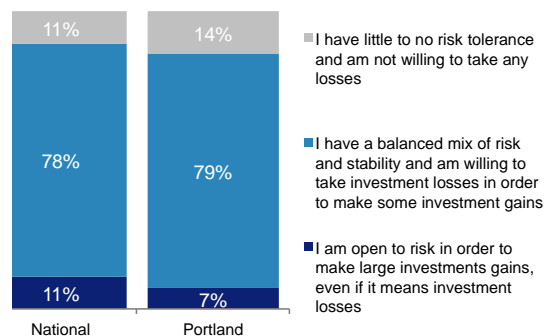
Confidence in Long-Term Investment Goals (next 6-10 years)



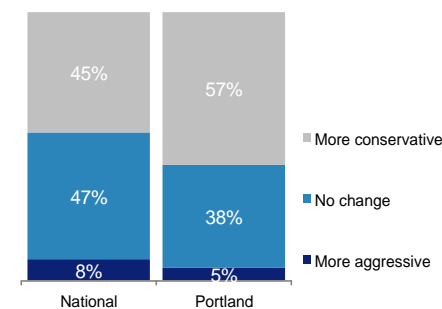
Current Investment Behavior



Risk Tolerance



Change in Risk Tolerance During Past Three Years



Sample size: 1,609 National; 81 Portland

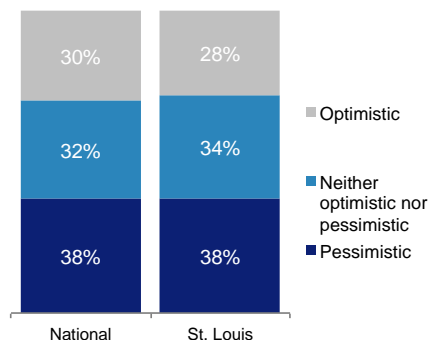
▲ ▼ Higher/lower than National

Market Profile: St. Louis

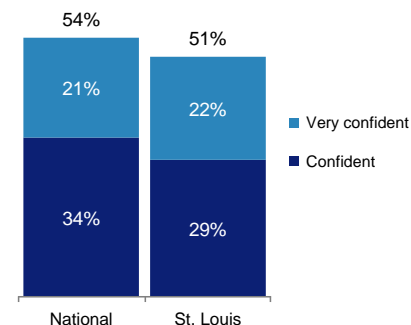
St. Louis Millionaires:

- Are guardedly optimistic about the U.S. economy in 2011, like Millionaires nationwide
- Slightly more than half are confident about achieving their long-term investment goals
- Are slightly more engaged in moderate to heavy buying and selling in the market than their nationwide peers
- Like the rest of the country, they have a balanced risk tolerance and during the past three years say they have become more conservative in their investment approach

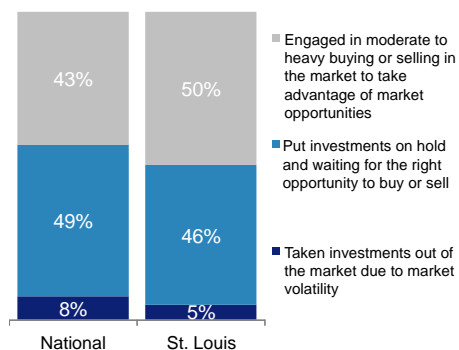
Road to Recovery in 2011



Confidence in Long-Term Investment Goals (next 6-10 years)



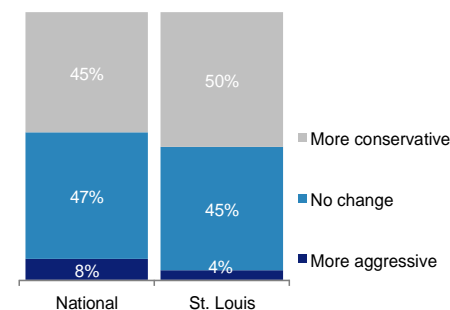
Current Investment Behavior



Risk Tolerance



Change in Risk Tolerance During Past Three Years



Sample size: 1,609 National; 81 St. Louis

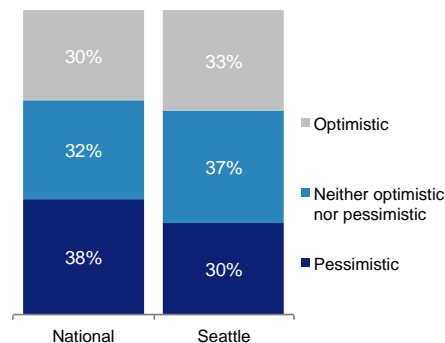
Higher/lower than National

Market Profile: Seattle

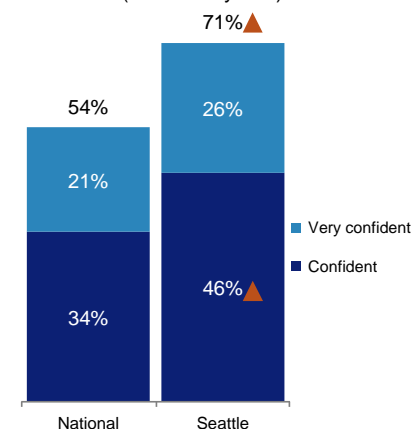
Seattle Millionaires:

- Are slightly more optimistic about the U.S. economy in 2011 than millionaires nationwide
- Seven in ten are confident about achieving their long-term investment goals, significantly more than nationwide peers
- Less than one in ten took their investments out of the market due to market volatility
- Like the rest of the country, they have a balanced risk tolerance and say they have become more conservative in their investment approach during the past three years

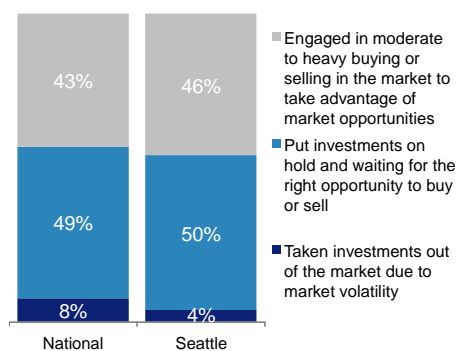
Road to Recovery in 2011



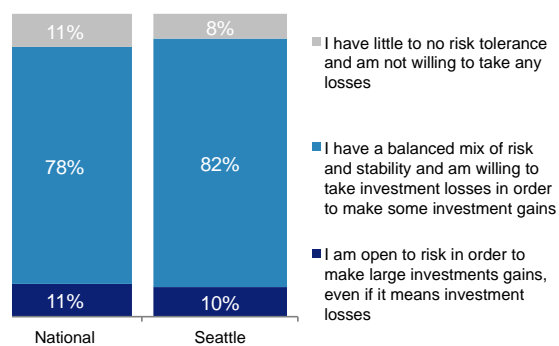
Confidence in Long-Term Investment Goals (next 6-10 years)



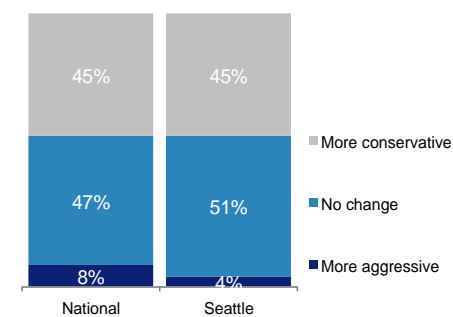
Current Investment Behavior



Risk Tolerance



Change in Risk Tolerance During Past Three Years



Sample size: 1,609 National; 92 Seattle

▲ ▼ Higher/lower than National

Appendix

Respondent Profile

Appendix: Respondent Profile

Gender

Male	74%
Female	26%

Respondent Age

18-24	2%
25-34	5%
35-44	5%
45-54	15%
55+	74%
Mean	60.2
Median	62

Race

White	89%
Hispanic	4%
Black/African American	2%
Asian/Pacific Islander	2%
Native American/Alaskan Native	1%
Mixed Race	1%
Other Race	<1%
Declined to Answer	1%

Own a Business

Yes	24%
No	76%

Region

East	25%
Midwest	18%
South	30%
West	28%

Market Sample Sizes

Total	1,609
Cincinnati, OH	81
Denver, CO	83
Los Angeles, CA	150
Milwaukee/Madison, WI	88
Minneapolis/St. Paul, MN	85
Portland, OR	81
St. Louis, MO	81
Seattle, WA	92

Marital Status

Never married	8%
Married/Civil Union	75%
Divorced/Separated	7%
Widow/Widower	4%
Living with partner	6%

Number of Children in Household

None	83%
1 or more	17%

Income

Less than \$50,000	2%
\$50,000 to less than \$100,000	18%
\$100,000 to less than \$150,000	28%
\$150,000 to less than \$250,000	29%
\$250,000 to less than \$500,000	14%
\$500,000 or more	7%
Declined to Answer	2%
Mean	\$236K
Median	\$200K

Investable Assets

\$1 million to less than \$2.5 million	67%
\$2.5 million to less than \$5 million	19%
\$5 million to less than \$10 million	9%
\$10 million to less than \$20 million	1%
\$20 million or more	4%
Mean	\$3.58M
Median	\$1.75M

Employment Status

Employed full time	29%
Employed part time	5%
Self-employed	13%
Not employed	5%
Retired	43%
Student	1%
Partner/Housewife/Husband	3%

Retirement Status (of those retired)

Semi-retired	11%
Fully-retired	89%

Time Period for Retirement (those not retired)

In the next year	15%
In the next 2-5 years	26%
In the next 6-10 years	21%
In over 10 years	37%

Education Level

High school or less	6%
Some college/college	48%
Grad school or more	46%

About The Private Client Reserve

The Private Client Reserve of U.S. Bank is a provider of comprehensive wealth management solutions for high-net-worth individuals, families and foundations with investable assets of more than \$1 million. Highly experienced wealth management advisors lead client focused teams that deliver forward-thinking, customized solutions including investment management, private banking, personal trust and estate administration, and financial planning to meet each clients' unique goals and needs. The Private Client Reserve is a part of U.S. Bank's Wealth Management Group that serves clients with \$100,000 to more than \$100 million in investable assets. To learn more visit us at privateclientreserve.usbank.com.

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