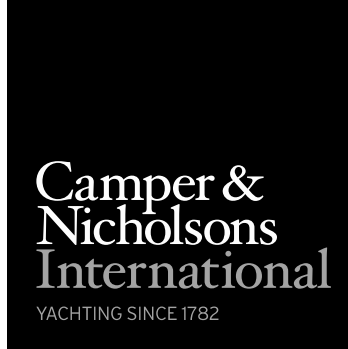




MARINE MONEY FINANCE FORUM

KURT FRASER & WINSTON CHESTERFIELD

SEPTEMBER 2016

Camper & Nicholsons International



Unrivalled knowledge. Unbeatable Experience.

- Synonymous with the world's finest yachts since 1782
- The most experienced and trusted team in yachting
- Our greatest source of business comes from repeat clients
- Offering a complete suite of luxury yachting services
- Our reputation is testament to our pedigree

The State of Wealth, Luxury and Yachting

Three questions come up time and time again in conversations held with our clients:

- How can they make the most of their investment in yachting?
- What investment themes should they focus on?
- And how can they get the highest returns out of their investment?

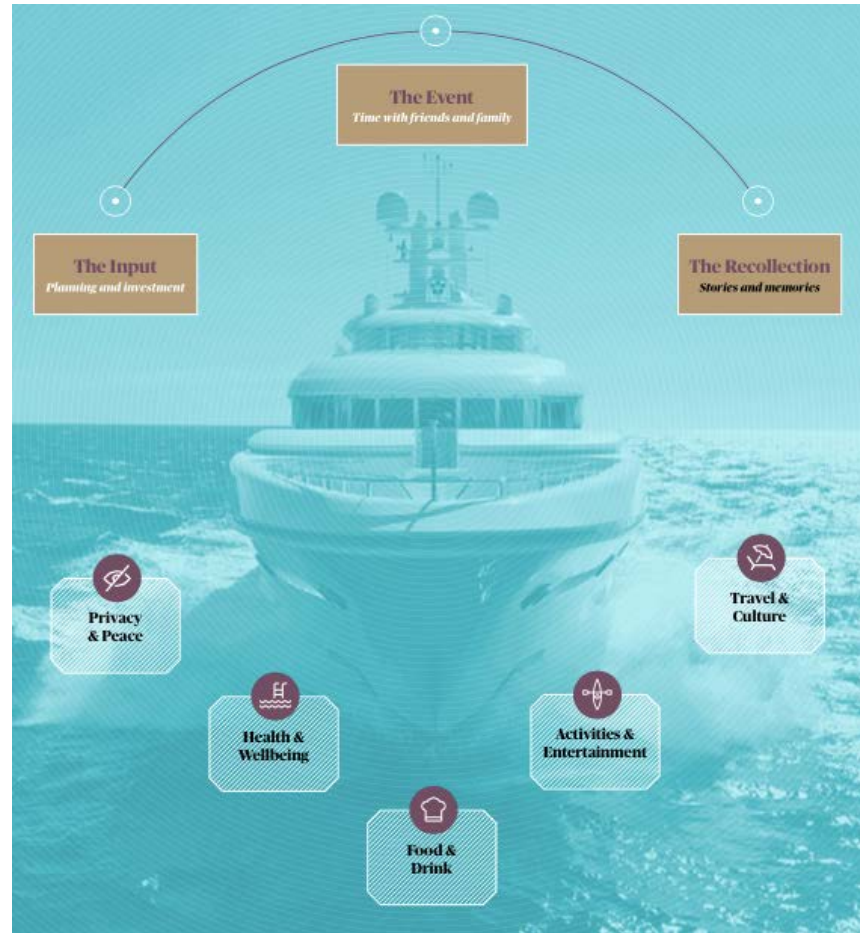
Our answer to this was the The State of Wealth, Luxury and Yachting report – designed to shine a light on the changing luxury landscape and how these changes will continue to affect the luxury lifestyle portfolios of our clients.

Key Findings

- A younger generation of wealthy individuals is now transforming the broader luxury landscape that UHNWs have access to. Both inheritance and entrepreneurial wealth accumulation are driving this shifting wealth demographic.
- The change is marked by a move from accumulating tangible assets to pursuing rare, tailored experiences. In part this is because such uniqueness both confers and confirms high status for those who can secure such experiences.
- To understand what unique experiences will be sought out, we can identify three factors that mark them out as desirable: time or making every moment really count; privacy during the experience; and personalisation to meet both individual tastes and to provide something truly unique.
- A superyacht is the ultimate platform of luxury, meeting all these characteristics. It is an utterly personalised and incomparably private cocoon, meaning the return on time invested is maximised unlike any other.

Yachting: The ultimate platform of experience

In a world where Ultra High Net Worth individuals value experiences more than goods, the yacht stands apart from the rest as the ultimate and most exclusive way to enjoy luxury. It's not simply a monetary reason. It's the multitude of experiences made possible by yachting, as well as its ability to transcend time itself through its three-stage lifecycle.







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THE GLOBAL ULTRA WEALTHY POPULATION

Summary

1. Low UHNW growth due to modest economic activity
 - Weak consumption and commodity prices
 - Slowdown in China
 - Currency declines against the dollar
2. The UHNW in Asia-Pacific achieved growth despite China's slowdown and emerging market volatility
 - Benefiting from dynamic business expansion and economic growth rates that still surpass those in the west
3. All of the top five cities by UHNW population saw these populations decline slightly
 - A result of flat and declining asset values

Total UHNW figures increased – with rising population numbers and total wealth

Global UHNW population change

2015



212,615
UHNW
Population

Population Change
% from 2014



US\$30.0
Trillion
UHNW Wealth

Total Wealth Change
% from 2014



US billionaires saw the largest wealth increase – with total wealth increase rising 5.4%, and UHNW population increasing by 6.4%

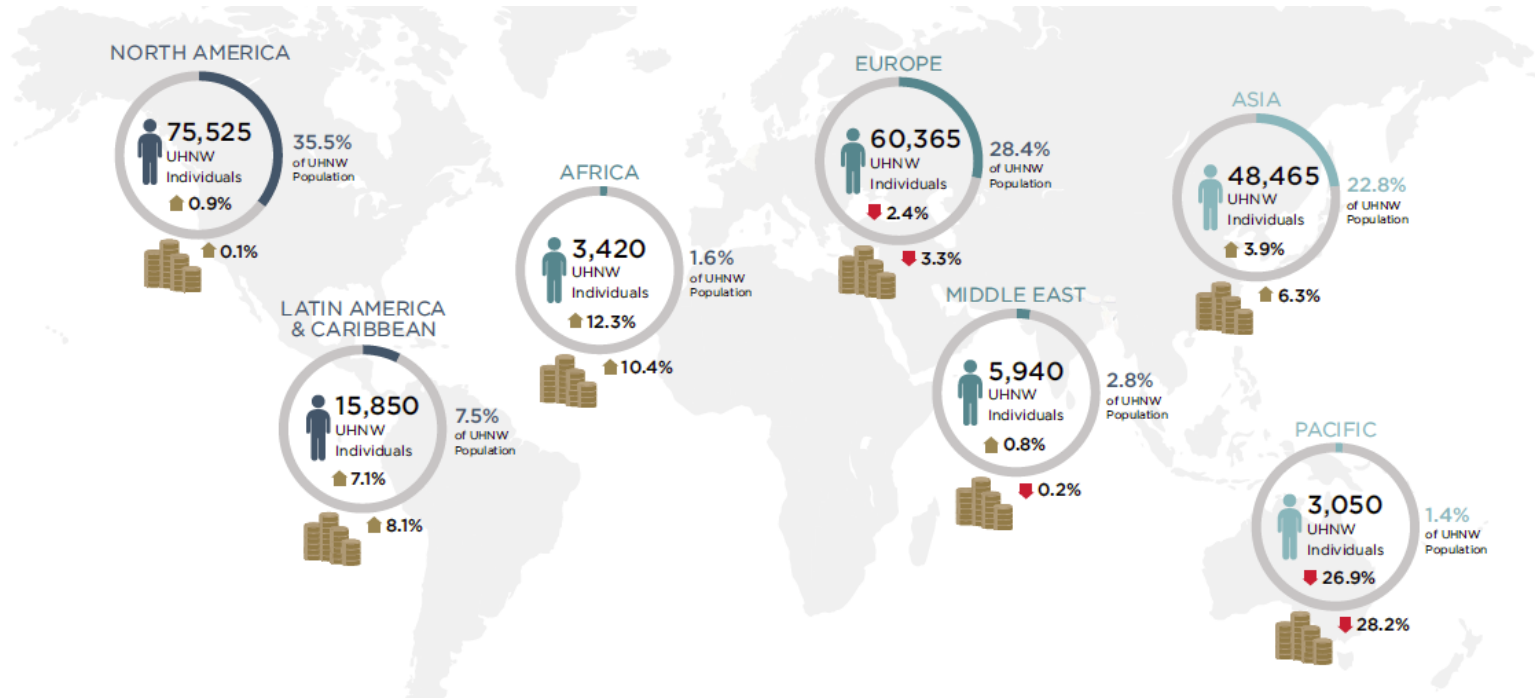
How the global economy performed

Major Wealth Indicators	UHNW Population	UHNW Wealth	GDP	Currencies	Equities
World	↑	↑	↑	↔	↓
The Americas	↑	↑	↑	↔	↔
EMEA	↓	↓	↓	↓	↓
Asia-Pacific	↑	↑	↑	↓	↑

Performance of equities declined – dogged by sharp declines in commodity prices (particularly oil), uncertainty over US monetary policy and worldwide concerns as to how China's policymakers would navigate its slowdown

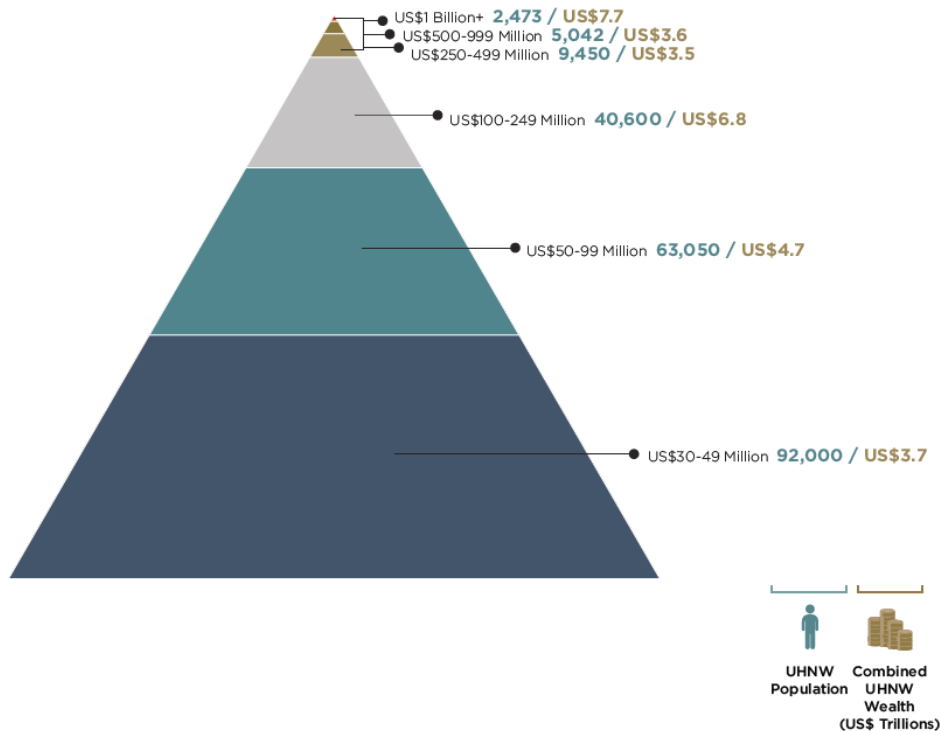
The Americas still hold over 40% of the world's UHNW population

Global ultra wealthy population



The world's billionaires, comprising just 0.01% of the world's UHNW population, holds over a quarter of UHNW wealth

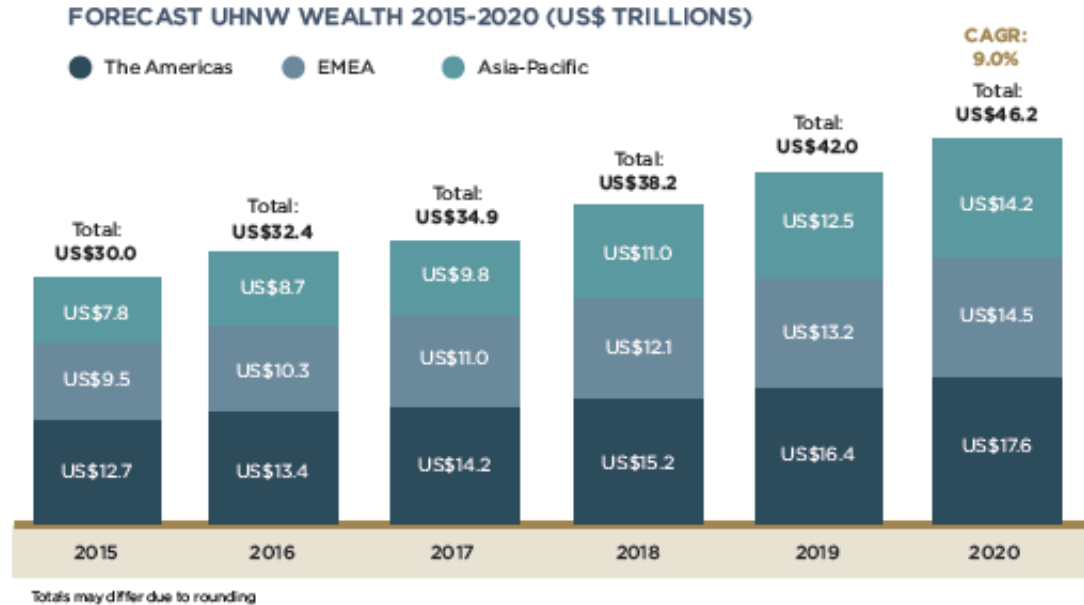
Wealth tiers



Growth in lower UHNW wealth tiers has been flat or declining, whilst billionaire's wealth increased by 5.4%.

This increase shows that billionaires and higher tiers continue to widen the gap whilst the majority struggle amidst slow economic growth.

UHNW global wealth expected to reach US\$46.2 trillion by 2020



By 2020 UHNW wealth is expected to grow to US\$46.2 trillion at a compound annual growth rate of 9%. Furthermore UHNW population is expected to exceed 318,000.



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THE SUPERYACHT LANDSCAPE

UHNW spend an annual total of **\$22bn** on yachts,
almost **90%** of the entire yachting market

ANNUAL UHNW SPEND ON LUXURY

Source: Wealth-X

Total Annual UHNW Spend: \$40b / Share of Luxury Market 18.9%



Travel/Hospitality
US\$45b / 18.9%



Automobiles
US\$40b / 8.9%



Art
US\$25b / 37.9%



Jewellery/Watches
US\$25b / 35.2%



Private Aviation
US\$23b / 82.9%



Yachts
US\$22b / 88%



Apparel
US\$15b / 20%



Accessories
US\$12b / 14.1%



Home
US\$8b / 28.1%



Wines Spirits
US\$8b / 10.1%



Food
US\$7b / 11.8%



Beauty
US\$4b / 6.5%

Sport ranked UHNWI's top pastime across age groups

MOST POPULAR HOBBIES FOR UHNWI'S UNDER 40		TOP 10 HOBBIES FOR ALL UHNW INDIVIDUALS		MOST POPULAR HOBBIES FOR UHNWI'S 70 AND OLDER	
Sports	81.0%	Sports	55.4%	Sports	55.9%
Technology	36.1%	Philanthropy	38.5%	Philanthropy	53.4%
Philanthropy	24.8%	Outdoors	26.4%	Outdoors	33.0%
Travel	23.0%	Education	20.6%	Education	26.1%
Music	21.1%	Aviation	17.6%	Art	24.6%

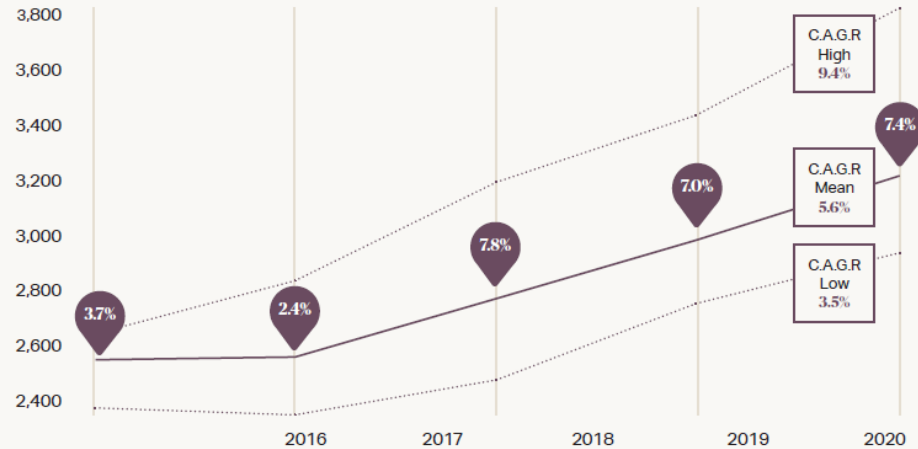
“The ultra wealthy believe in playing hard as well as working hard. More than half rank sport as their top pastime. The most popular sports for UHNW individuals include golf, soccer, skiing, tennis and American football.”

Billionaires

Billionaires make up a substantial number of the world's superyacht owners. Wealth-X estimates that by 2020, there will be **another 600 billionaires**, a significant new market for superyachts.

BILLIONAIRE FORECAST

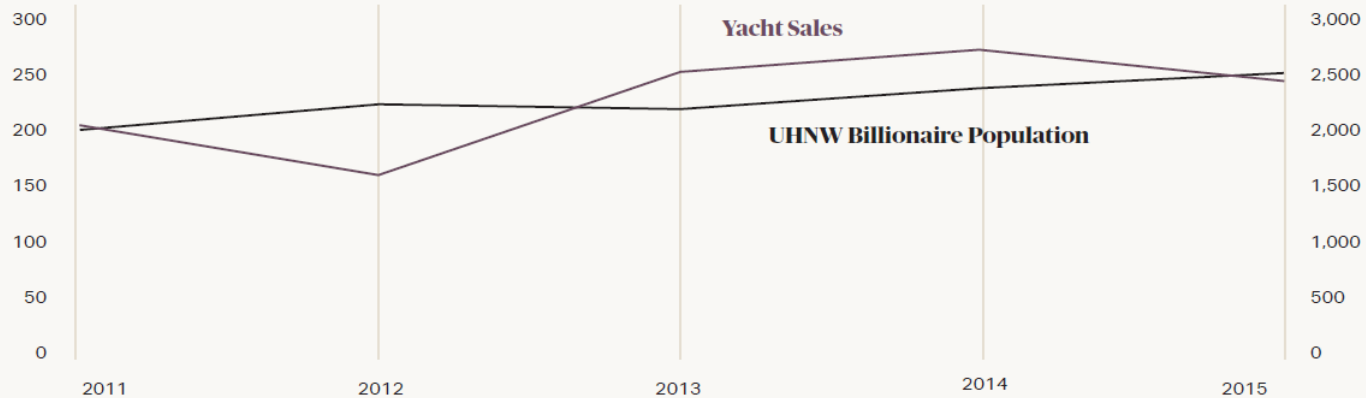
Source: Wealth-X



Sales of superyachts have broadly moved in line with growth of billionaires

YACHT SALES VS BILLIONAIRE POPULATION

Source: Wealth-X, Camper & Nicholson's



Intensifying the greatest luxury experience

The wealthy are demanding that the returns on their most precious possession, time, are maximised in every way possible.

Superyacht trends show an intensification of focus on experience, with ever greater choice, opportunities, destinations, they point towards a lifestyle of maximising the senses, the mind and body in every possible way.

“A true luxury experience is having the ability to choose. You can wake up and you have a thousand things to do at your disposal. You can sunbathe while reading your book. Or you can set off on your jet ski, party on a beach – everything is possible.”

Gualtiero Giori
Executive Chairman
Camper & Nicholson's

