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OppenheimerFunds®
The Right Way to Invest

Proving Worth:

The Values of Affluent Millennials

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Agenda

1. Who are Millennials
2. Why is this important
3. Wealth Transfer & Client Retention Strategy (Findings)
4. Key Findings from the Proving Worth study
    - Views on Wealth and Impact Investing
    - Attitudes Towards Investing
    - The Right Advice

Who are Millennials

Defining this unique generation

	Traditionalists/ Silent	Baby Boomers	Generation X	Millennials (aka Gen Y)	Gen Edge (aka Gen Z, Centennials)
Birthdate	Before 1946	1946–1964	1965–1979	**1980–1995**	1996–present
Age Range		52-70	37-51	**21–36**	0–20
U.S. Population	75Mil	80Mil	60Mil	**82Mil**	78Mil[2]
Global Population	300Mil	1.1Bil	1.5Bil	**2Bil**	2.4Bil

U.S. Millennials: largest living generation in US history[2]

1. Chart Source: Lancaster, L., and D. Stillman, 2014. BridgeWorks BridgeBuilder Manual (Training Certification) BridgeWorks, Minneapolis, MN. via IMCA research Why Financial Advisors Should Learn about Generations
2. Source: New Kids On The Block - Millennials & Centennials Primer August 30, 2016 (Sarbjit Nahal of Bank of America Merrill Lynch)

Who are Millennials

Interesting characteristics of Millennials

Out of 70Mil Millennials on FB in the US, nearly half are considered affluent[1]

Paying down debt is their #1 priority[1]

63% of Millennials moved back home after college, mainly to save money (39%), while 21% said to pay down debt[2]

Seeking advice mostly on, financial planning, investing, budgeting[1]

39% of Millennials have never interacted with their parents' advisors[2]

Lack of knowledge is preventing them from investing[1]

52% say they do not know how to go about starting to build a financial plan[1]

Millennials see their parents as peers, friends and mentors[2]

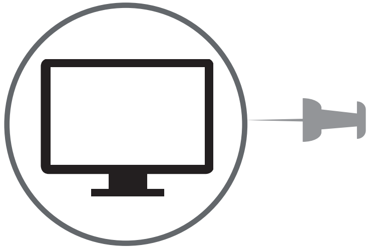
1. Source: "Millennials and money: The unfiltered journey" by Facebook IQ, Jan 2016. http://insights.fb.com/2016/01/25/millennials-money-the-unfiltered-journey/)
2. Source – UBS Investor Watch: The ties that bind study, 2Q2016

Who are Millennials
Outside influences

Global:

Various events around the globe, include 2 hundred-year financial storms have shaped their lives:

Financial:



2000
Tech bubble burst

2007–2008
Financial Crisis

Why is this important?

Money in Motion

The greatest wealth transfer in history is underway - $59 Trillion *is expected to be passed down to heirs, charities and taxes*[1]

Baby Boomers

$30 Trillion[2] wealth transfer

Millennials

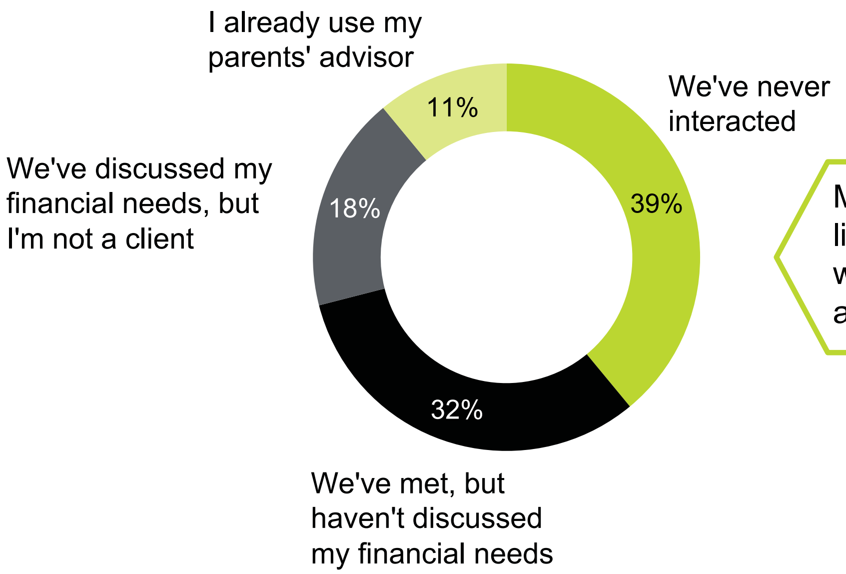
UHNW world:
Nearly $4 trillion in ultra-high-net-worth investor assets globally is set to change hands over the next decade. [3]

1. Boston College Center study via CNBC, May 28, 2014
2. Source: Accenture study via CNBC, June 16, 2016
3. FundFire.com, September 15, 2016

Wealth Transfer

Impact to Financial Services Industry and Client Retention

- 66% of adult children fire their parents' advisor after receiving their inheritance.[1]
- 70% of all widows leave the family advisor following their spouse's death.[2]
- According to advisors, a client passing away (55%) is the most common reason for a client leaving the practice. [3]



Millennials have limited interaction with their parents' advisors [4]

1. Source: InvestmentNews, July 13, 2016
2. Source: Investopedia, January 16, 2016
3. Source: The Cerulli Report: U.S. Asset Management Opportunities in Banks 2016
4. Chart Source – UBS Investor Watch: The ties that bind study, 2Q2016

Research Objectives & Goals

Partnership with Campden Wealth to Produce Industry's 1st Study on Wealthy Millennials

Key Insights:

- Understand Millennials differences/similarities between previous generations
- Demystify the common issues with wealthy Millennials and next wave of investing
- Invest in understanding wealthy Millennials as next generation of investors

Key Findings

Views on Wealth and Impact Investing

Key Findings

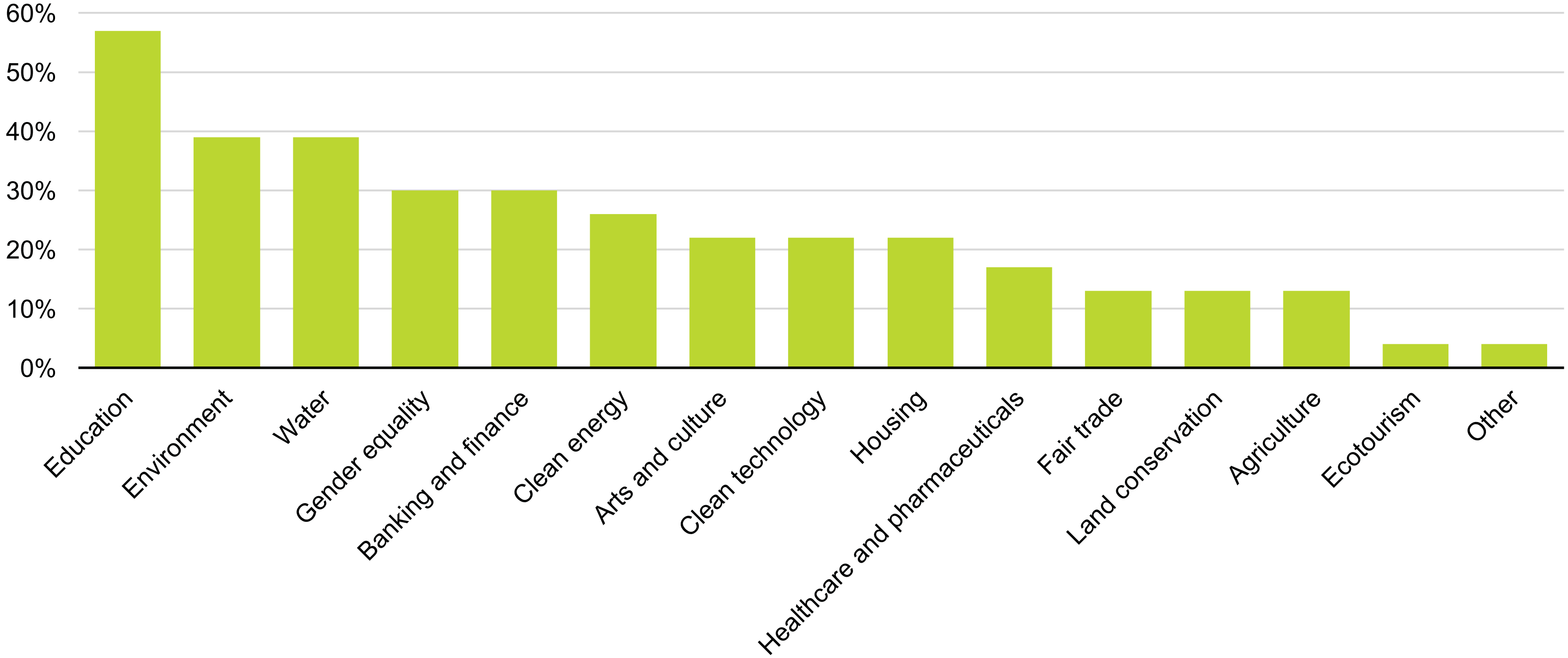
Millennial Views on Wealth and Impact Investing

Key Takeaways:

- See wealth as a means to advance causes they support
- Look for sustainable, long-term returns
- High level of self awareness

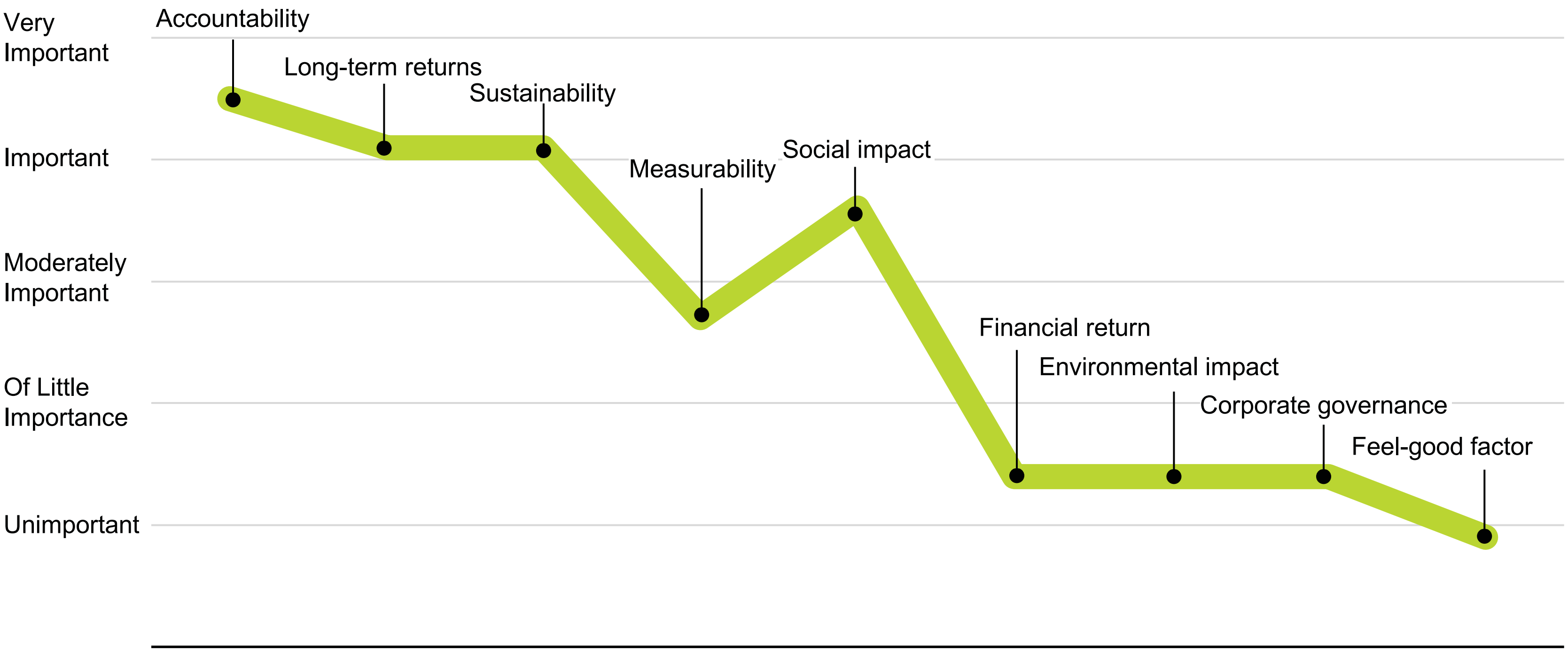
Areas of Interest for Millennial Impact Investing

Basic Human Rights



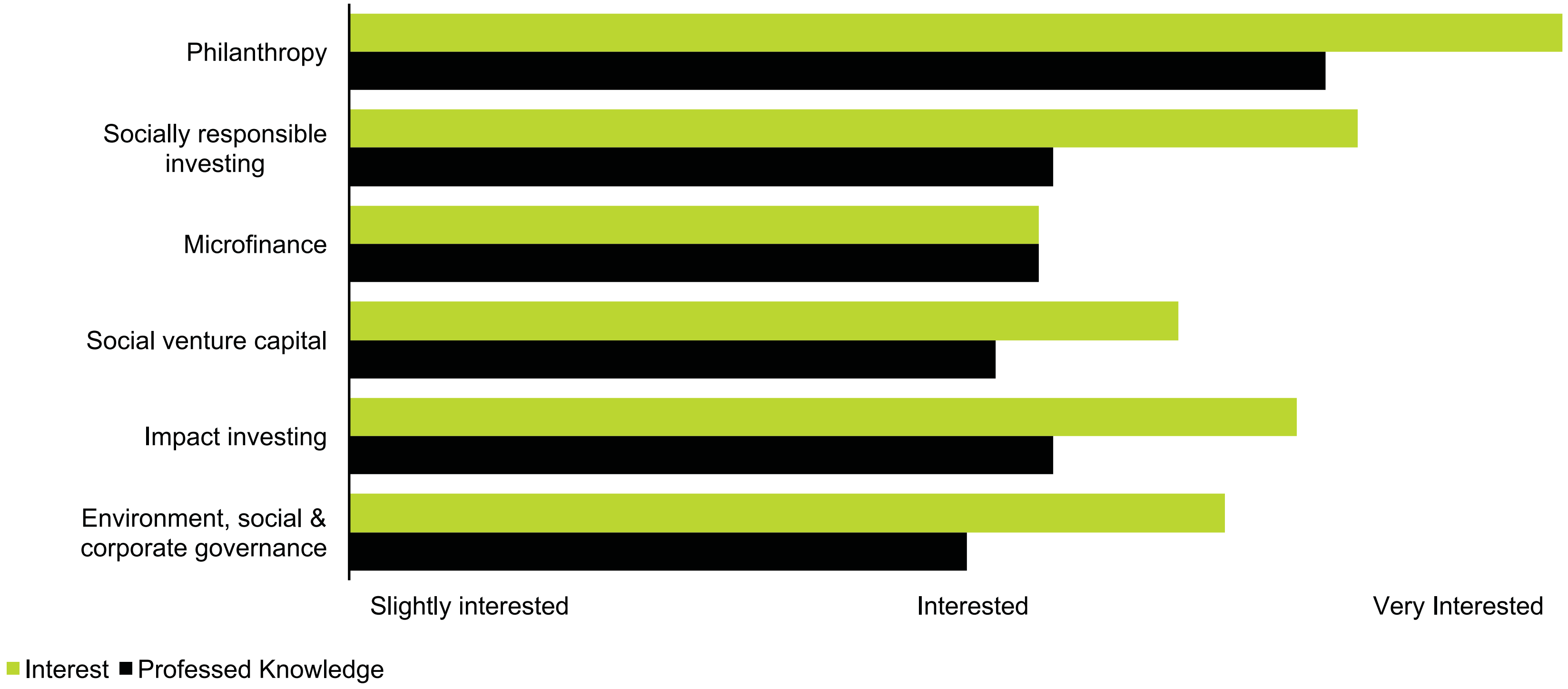
Source: OppenheimerFunds & Campden Wealth 2015 Research Report

Impact Investing: The Things That Matter Most to Millennials



Source: OppenheimerFunds & Campden Wealth 2015 Research Report

Values-Based Investing: Interest vs. Knowledge



Source: OppenheimerFunds & Campden Wealth 2015 Research Report

Key Findings

Attitudes Towards Investing

Key Findings

Millennial Attitudes Towards Investing

Key Takeaways:

- Risk averse and broadly more conservative
- Strong desires to sustain the family's wealth and legacy
- High-degree of self-awareness

Conservatism

Dedicated to saving

86% of Millennials put money away each month[1]

Underinvested

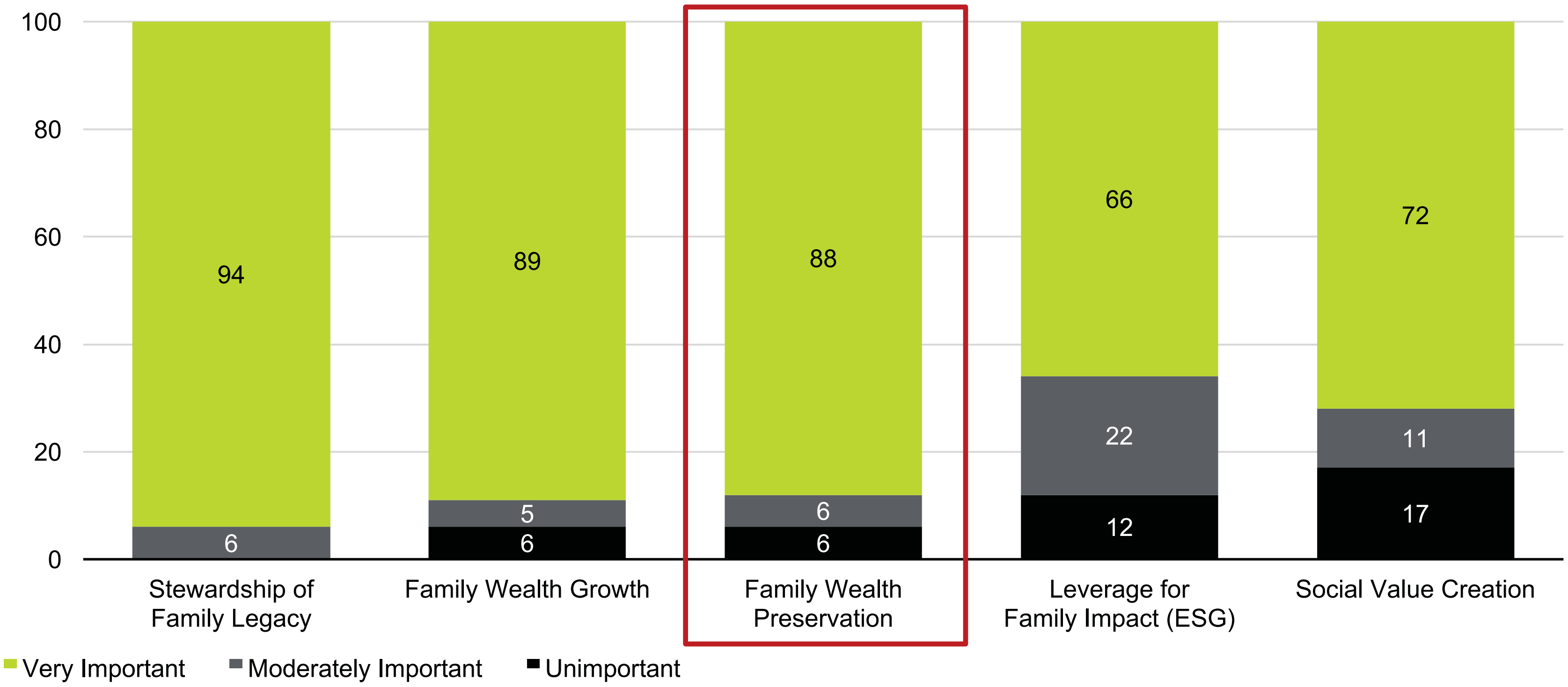
But they actually are 1.6X more likely than Gen Xers/Boomers to have no investments whatsoever[1]

The generation which lived through the financial crisis at an impressionable age, is broadly more **conservative** than previous generations and more focused on **wealth preservation**.

Source: "Millennials and money: The unfiltered journey" by Facebook IQ, Jan 2016. http://insights.fb.com/2016/01/25/millennials-money-the-unfiltered-journey/)

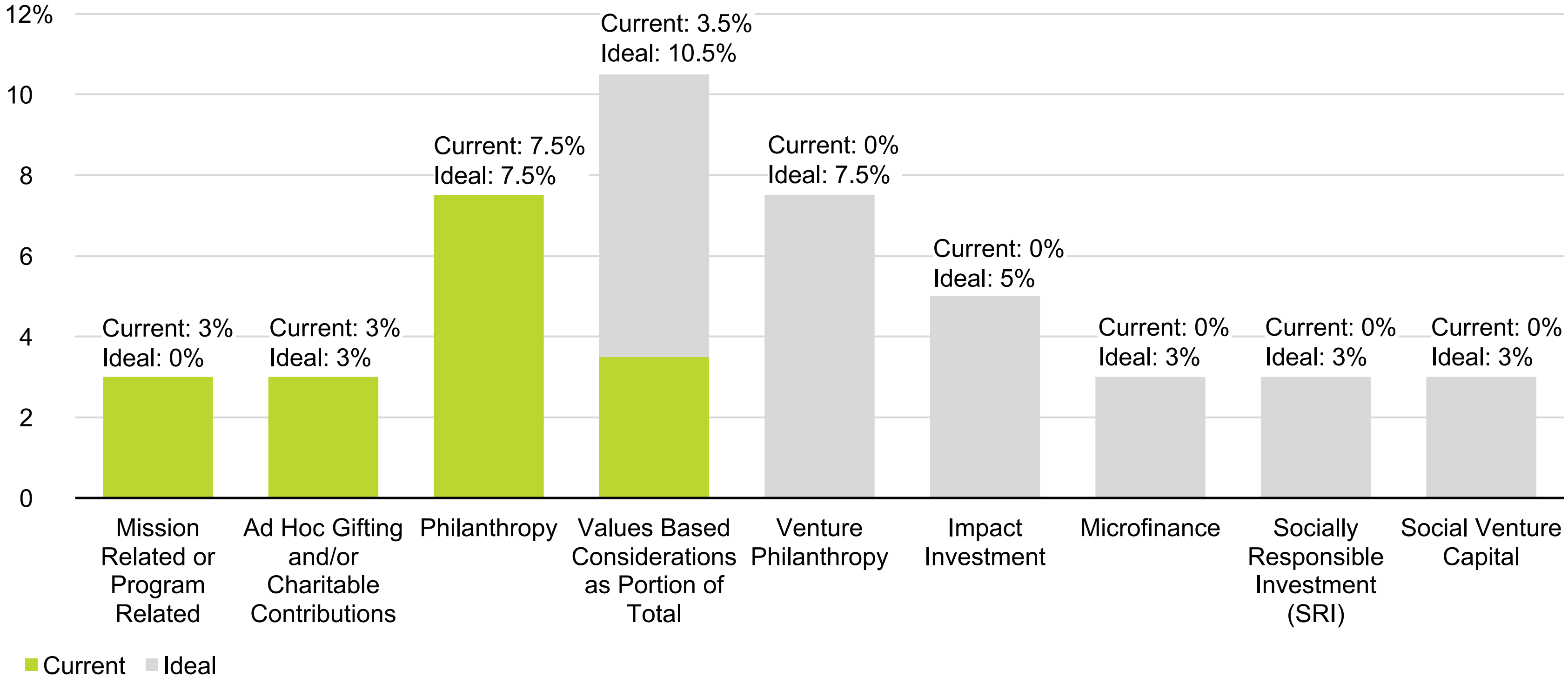
Family-Oriented Goals are Important to Millennials

Protecting the family legacy and wealth are the top goals for wealth Millennials.



Source: OppenheimerFunds & Campden Wealth 2015 Research Report

Millennials’ Current Allocation vs. Their Ideal



Source: OppenheimerFunds & Campden Wealth 2015 Research Report

Key Findings

The Right Advice

Key Findings
Millennials – The Right Advice

Key Takeaways:

- Desire for direct relationships with their advisors
- Want their advisor focused on sourcing business deals and guidance resolving family conflicts
- Leverage today's technology during direct and personal engagement

How are they finding advisors?

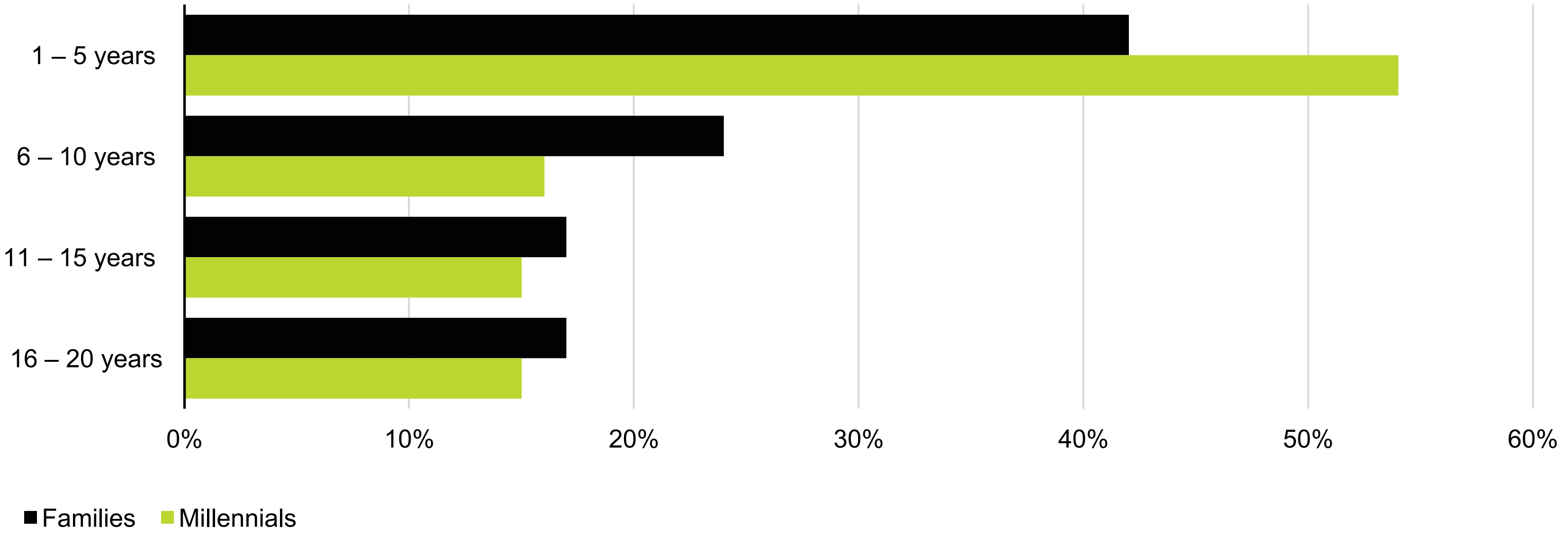
69%	**Personal Recommendations** (family, friends and colleagues)
44%	**Professional Recommendations**
25%	**Perform their own due diligence**
25%	**Direct solicitation and/or social interactions**
6%	**Social and traditional media advertisements**

Source: OppenheimerFunds & Campden Wealth 2015 Research Report

Wealthy Millennials have short-term relationships with current advisors

Advisor Attrition Surprisingly High for UHNW Families

Many Millennials are fairly new to their advisor relationships, a circumstance that also applies to a surprising number of wealthy families



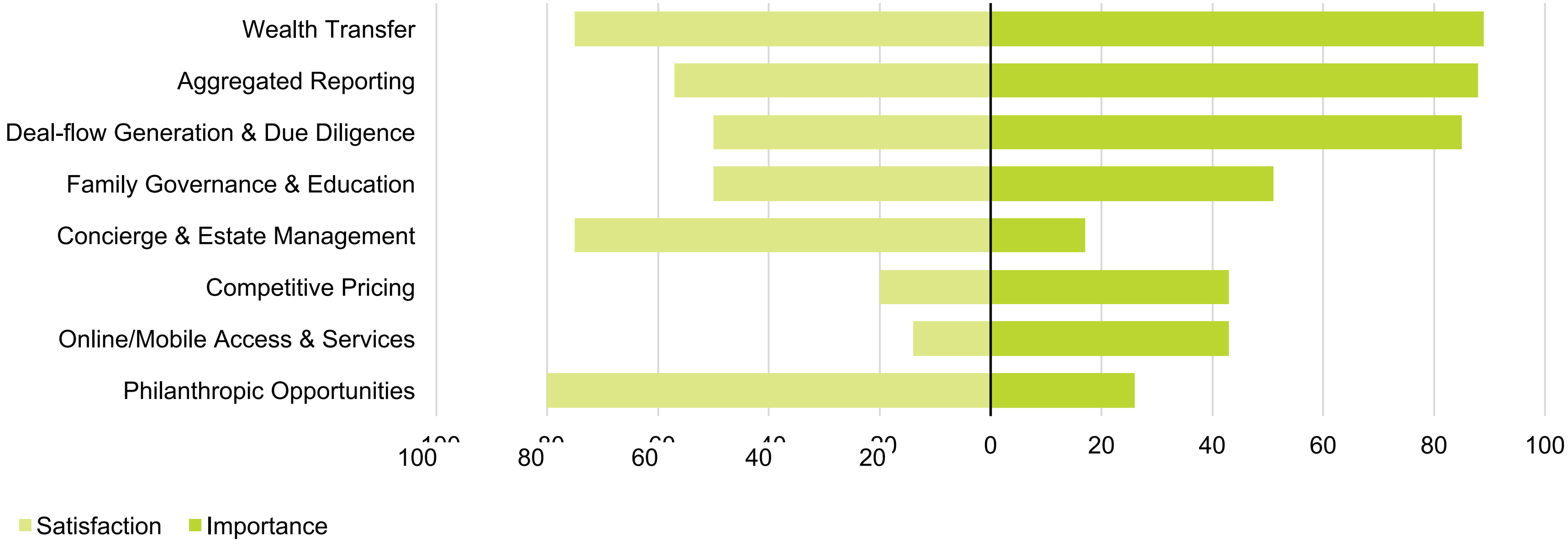
Source: OppenheimerFunds & Campden Wealth 2015 Research Report

What do Millennials Want?

The Right Advice

UHNW Millennials on What's Important in an Advisory Service

Millennials see room for improvement from their advisors in many areas of service

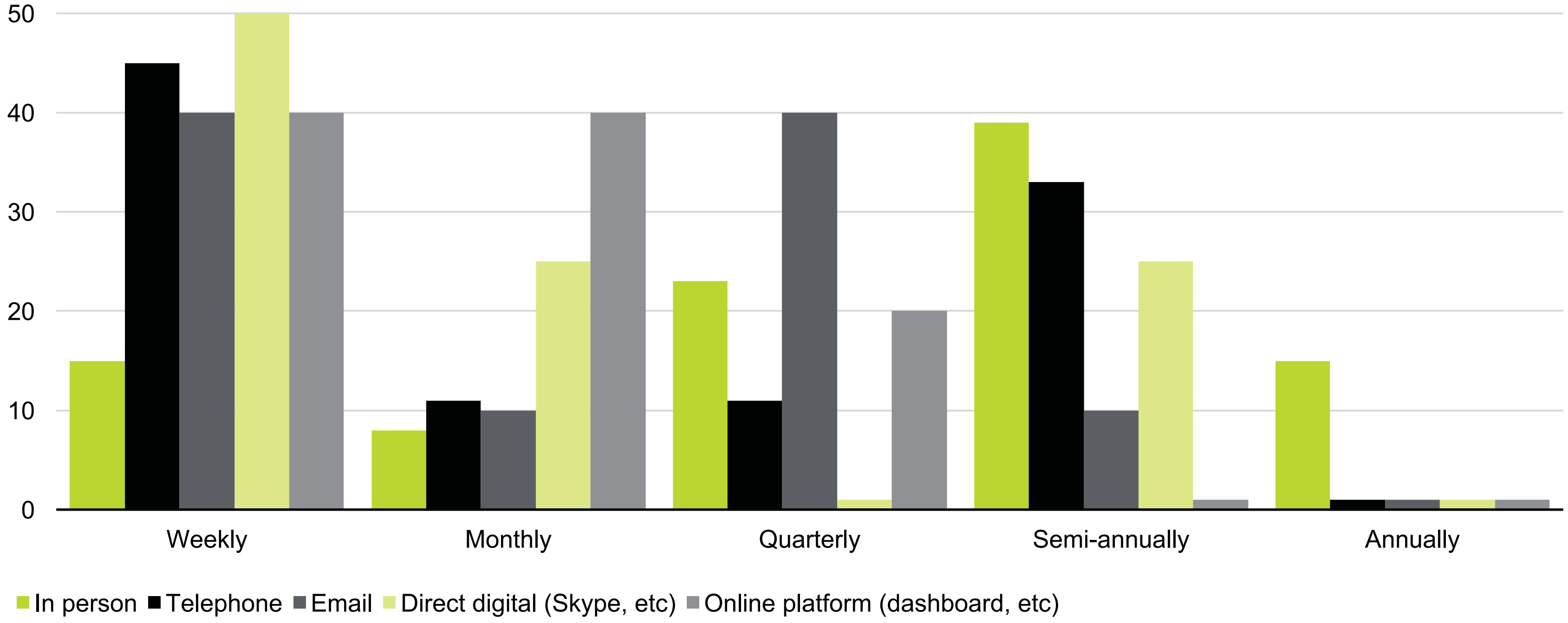


Source: OppenheimerFunds & Campden Wealth 2015 Research Report

Communicate… on their terms

How UNNW Millennials Want to Communicate with Advisors

Advisors would be well-served to communicate weekly with Millennials via digital channels



Source: OppenheimerFunds & Campden Wealth 2015 Research Report

"Our primary advisor is much older than me. There are some cultural and generational differences, but as long as you're aware of them, I don't think it precludes having an advisor from a different generation."

North American,
UHNW Millennial, mid-20s, 2nd-gen

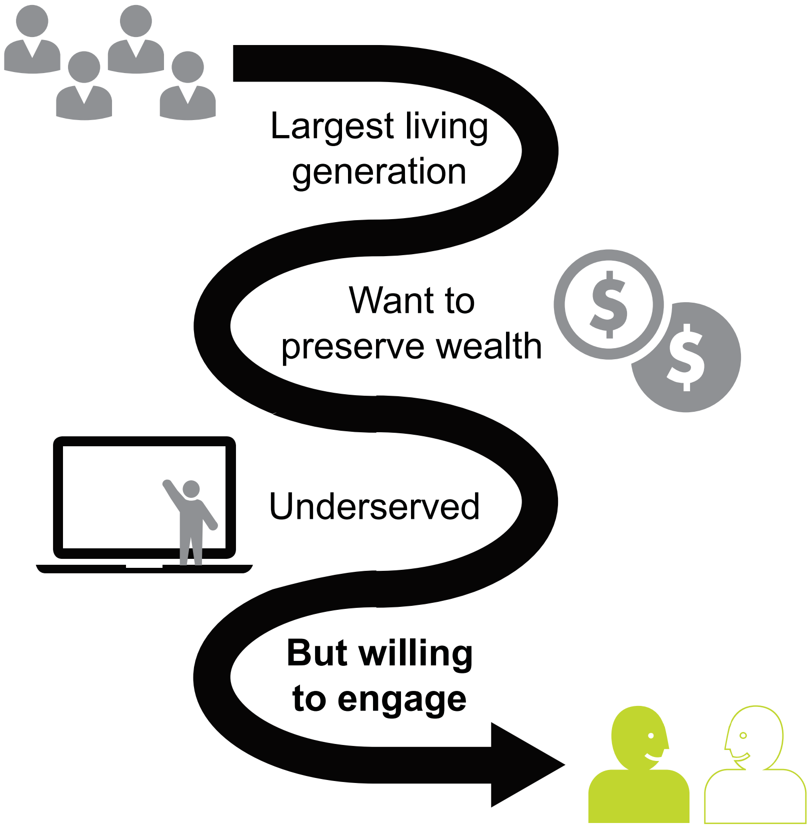
"Since he was already our family advisor it does help that he understands where I'm coming from, but I had to spend a lot of time with him to get him to understand me as an individual."

North American,
UHNW Millennial, mid-20s, 2nd-gen

Source: OppenheimerFunds & Campden Wealth 2015 Research Report

Critical Implications and Next Steps

Implications



Possible Engagement Strategies

1. Relationship Assessment

- Primary Client
- Spouse
- Children

2. Family Meetings

- Purpose of Wealth
- Family Values
- Intergenerational wealth transfer planning
- Philanthropic planning

3. Connecting with the next generation

- Financial Literacy
- Networking events
- **Client advisory/client philanthropic board**

Client Advisory/Client Philanthropic Board

Connecting with the next generation

Process:

Outcome:

Composition	Purpose	Responsibility
Millennial children from top clients	Determine causes most important	Define # where board donates time

- Networking events for clients
- Engagement
- Impact driven model
- Potential leads

"Money certainly can't buy you happiness. But if you're smart about it, patient and mindful of your goals, it can help you to be the best version of you that you can be."

North American,
UHNW Millennial

Sources: OppenheimerFunds and Campden Wealth 2015 Research Report

Q&A

Appendix

Methodology

Synopsis:

We surveyed 32 individuals from Campden Wealth's community of wealth holders in North America.

Methodology:

- All respondents were born between 1980 and 1995.
- They came from families with net worth of $35 million - $1 billion.
- The individual net worth of respondents willing to disclose it ranged from less than $25 million to $500 million.
- Respondents' Gender:
  - 50% Female
  - 42% Male
  - 8% Did not identify gender

Disclosures

OppenheimerFunds commissioned Campden Wealth, an organization unaffiliated with OppenheimerFunds, for the purposes of conducting independent research.

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