PART I
DEEP-DIVE INTO
THE PRIVATE INVESTMENTS
OF ELITE ENTREPRENEURS
Based on the voices of 2,763 Elite Entrepreneurs handling a total net worth of USD16 billion, spanning 23 countries across Europe, Asia, the United States and the Middle East, this exclusive report offers a deep-dive into the private investments of the most successful international entrepreneurs.

**Methodology**

**On Average**

- USD5.8 M NET WORTH
- USD7.0 M TURNOVER OF PRIMARY COMPANY
- 2.8 COMPANIES STARTED
- 166 EMPLOYEES

**Total Sample & Investors’ Profiles**

- 2,763 ELITE ENTREPRENEURS
- 52% PRIVATE EQUITY INVESTORS
- 39% START-UP INVESTORS
- 24% ANGEL INVESTORS
- 26% IMPACT INVESTORS

**Gender**

- 67% MALE
- 33% FEMALE

**Regions**

- 14% USA
- 3% BRAZIL
- 30% APAC
- 51% EUROPE
- 2% GCC

**Typical Portfolio of the 2019 Elite Entrepreneur**

For the first time in our five-year study, their top allocation choice is now EQUITIES

* Not including shares from owned businesses.
** SRI (Sustainable and responsible investments).
**KEY FINDINGS**

**HNW entrepreneurs prefer**

**PRIVATE EQUITY for direct investments**

63% of HNW entrepreneurs use private equity. The country hotspots where entrepreneurial take-up of this asset class is highest are India, Russia, Turkey, Spain and the GCC.

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In the mind of the entrepreneur, **RESPONSIBLE INVESTING is a top five growth opportunity**

Across the world, entrepreneurs consistently place sustainable investments in their top five choices for growth potential: those based in China, the UK and Spain are most convinced. UHNW entrepreneurs go further and put sustainable investments in their top two sectors for future investments.

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**For the first time in our five-year study, EQUITIES are entrepreneurs’ top portfolio choice**

Successful business owners have responded enthusiastically to rising stock markets and now invest 20.2% of their total wealth in equities – their highest allocation. The exception is UHNW entrepreneurs, whose heaviest weighting remains their own businesses.

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**Technology comes out on top as the global sector favourite**

55% of entrepreneurs have invested in technology companies, usually directly or through mutual funds. The appetite for tech is most voracious in Belgium, India and Singapore, where more than seven out of ten hold investments in this sector.

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**2019 ENTREPRENEURS’ PRIVATE INVESTMENTS**

<table>
<thead>
<tr>
<th><strong>PRIVATE EQUITY</strong></th>
<th><strong>VENTURE CAPITAL</strong></th>
<th><strong>INVESTING IN START-UPS</strong></th>
<th><strong>CROWD FUNDING</strong></th>
<th><strong>ANGEL INVESTMENTS</strong></th>
<th><strong>OTHER OF THE ABOVE</strong></th>
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<tbody>
<tr>
<td>Overall (N = 2763)</td>
<td>Europe (N = 1396)</td>
<td>GCC (N = 57)</td>
<td>USA (N = 387)</td>
<td>APAC (N = 828)</td>
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GUIDING THE INNOVATORS

Entrepreneurs that use angel investing to make direct investments into other businesses

Business Angels provide essential capital and wise counsel to the management team of a new firm

PROFILE

Population
664 Elite Entrepreneurs (24% of total sample)

Average age
38 years old

Average Company Revenue
USD7.7 million

KEY FINDINGS

- 63% invest using this vehicle in order to benefit from higher investment returns, while a further 60% invest to gain exposure to emerging technologies and innovative business ideas.

- HNW entrepreneurs (USD10-25 million) are most interested in supporting an early-stage business in their local market, with 69% indicating this to be the reason why they make angel investments.

- 69% of ultra-high net worth entrepreneurs (USD25 million and over) assert an interest in gaining access to emerging technologies.

TOP 5 MARKET HOTSPOTS

1. Belgium 36%
2. China 35%
3. India 35%
4. Italy 34%
5. Poland 32%

Source: 2019 BNP Paribas Global Entrepreneur Report

TOP 5 SECTOR INVESTMENTS

1. Technology 53%
2. Artificial intelligence 33%
3. Financial services 26%
4. Virtual reality 25%
5. Biotechnology 24%

TOP 3 FUTURE SECTOR INVESTMENTS

1. Artificial intelligence 35%
2. Big data 14%
3. Virtual reality 13%
SPOTTING THE NEXT BIG TREND

Entrepreneurs that make direct investments into start-ups, companies created less than 3 years ago.

PROFILING

Population
1,071 Elite Entrepreneurs (39% of total sample)

Average age
38 years old

Average Company Revenue
USD8.2 million

KEY FINDINGS

- **Growth potential of the sector** is the most important reason why more than one in four (26%) entrepreneurs choose to invest in start-ups.

- For **millennials aged 35 or younger**, the second most important reason driving their appetite for start-up investments is the **growth potential of the home market** (14%).

- For **Start-Up investors aged 55 and over**, the **robustness of the business plan** (17%) is considered the next most important selection criteria.

TOP SECTORS WHERE START-UP SUPPORTERS RUN THEIR BUSINESSES

1. IT and digital technology (47%)
2. Manufacturing and engineering (41%)
3. Transport and logistics (39%)
4. Retail and culture (36%)
5. Financial services (35%)

Source: 2019 BNP Paribas Global Entrepreneur Report

TOP CRITERIA FOR START-UP SUPPORTERS

1. The growth potential of the sector (26%)
2. The growth potential of the home market (15%)
3. The robustness of the business plan (14%)
4. The appeal of the core product concept (11%)
5. The calibre and potential of the founder(s) (8%)
POSITIVE IMPACT SEEKERS

ENABLING RESPONSIBLE GROWTH
Entrepreneurs with exposure to Sustainable Investments through their investment portfolios

PROFILING

Population
715 Elite Entrepreneurs (26% of total sample)

Average age
40 years old

Average Company Revenue
USD6.7 million

KEY FINDINGS

- Over one in four entrepreneurs (26%) aged 36 to 54 has exposure to Sustainable Investments through their existing investment portfolio, compared to only 22% of Boomerpreneurs aged 55 and over.

- More than half invest responsibly using SRI funds and impact investment funds.

- 37% of UHNW entrepreneurs believe Sustainable and Responsible Investments represent the most promising growth potential in the next five years.

TOP 5 MARKET HOTSPOTS

1. Taiwan 39%
2. Hong Kong 37%
3. China 35%
4. Spain 32%
5. Singapore 30%

Source: 2019 BNP Paribas Global Entrepreneur Report

METRICS USED TO MEASURE IMPACT

1. The return on investment 49%
2. Reduction in carbon footprint 41%
3. Improvement in access to healthcare 41%
4. Improved diversity in the workforce 35%
5. Increased access to education 33%
6. Reduction in unemployment 28%
7. Increased supply of microfinance loans 26%
8. Improvement in literacy rate 18%

VEHICLES TO GAIN EXPOSURE TO SUSTAINABLE INVESTMENTS

1. Sustainable responsible investment (SRI) funds 60%
2. Environmental, Social and Governance (ESG) screening 54%
3. Impact investment funds 54%
4. Social impact bonds 46%
5. Green bonds 42%

Source: 2019 BNP Paribas Global Entrepreneur Report
PRIVATE EQUITY INVESTORS

HUNTING HIGH RETURNS
Elite Entrepreneurs that use Private Equity as a business investment vehicle to make direct investments into other businesses

PROFILING
Population
1,437 Elite Entrepreneurs (52% of total sample)

Average age
39 years old

Average Company Revenue
USD8.4 million

KEY FINDINGS

- **63% of HNW entrepreneurs** with a net worth of USD10-25 million have direct exposure to Private Equity investments, compared to **58% of UHNW entrepreneurs** with a net worth of more than USD25 million.

- **46%** of Private Equity investors gain exposure to these investments via a **private equity fund**, while the remainder are split between **direct investments** into unlisted operating companies (28%) and **co-investment deals** (26%).

- **55% of UHNW entrepreneurs rely on professional advisors** (such as family offices, investment consultants and wealth managers) to source private equity investment opportunities, while 27% rely on their own research.

TOP 5 MARKET HOTSPOTS

1. **India** - 74%
2. **Russia** - 72%
3. **Turkey** - 72%
4. **Spain** - 72%
5. **Gulf Cooperation Council (GCC)** - 67%

Source: 2019 BNP Paribas Global Entrepreneur Report

TOP MOTIVATIONS

1. To benefit from higher investment returns - 26%
2. To improve the value of a business before I sell it at a profit - 22%
3. These investments align to my long-term goals - 21%
4. To gain exposure to unlisted businesses with high growth potential - 18%
5. To reduce the risk of volatility - 13%

SOURCES OF OPPORTUNITIES

1. I rely on my wealth manager/financial advisor - 27%
2. I rely on investment consultants - 26%
3. I identify opportunities based on my own research - 22%
4. I rely on my co-investment partners - 16%
5. I rely on a family office - 9%

Source: 2019 BNP Paribas Global Entrepreneur Report
UNDERSTAND, SERVE, AND PROMOTE ENTREPRENEURS

In a world that is ever changing, entrepreneurs need to build their wealth strategy with a partner they trust. Our experts create tailored solutions by drawing on our extensive network and specific know-how to help you build a bridge between your professional and personal wealth. We are here to advise you every step of the way. Backed by our global wealth management network, our business centers around the world and our Corporate and Investment Bank, you benefit from the services of a leading banking and financial institution. With our support for entrepreneurs, your wealth has a voice. Let it be heard.

Our Wealth Management division with EUR377 billion of assets under management is a leading global private bank – the largest private bank in the Eurozone – with offices in three hubs in Europe, Asia and the USA and over 6,800 professionals. Our knowledge of local investment climates and culture makes us the natural wealth management partner for clients wanting to manage, preserve and develop their wealth across borders over the long term. We have been recently recognized Best Private Bank in Europe, Best Private Bank in South-East Asia and Best Private Bank in Western USA.