



Broker Partnerships -

Key Data to Develop your  
EIS Business

July 2024

# EIIS Investor Profile

- Approximately 40% of investors are below age 55.
- 62% of investors are currently in employment with the remainder in retirement. 68% of those in employment are employed in the private sector, 25% are retired with the remainder of 7% employed in the public sector.
- The primary goal for investors is wealth accumulation, with twice as many investors prioritising this over income generation. Investors are increasingly focused on high-growth sectors, aiming to maximise their returns and build substantial wealth in the long term, rather than focusing on steady income streams from dividends or interest payments.
- Most investors would classify themselves as having moderate risk tolerance.

- Typically, investors have over €75,000 in income but this varies across age with older investors having more disposable income to invest. Over 50% of investors earn between €50,000-€150,000 with 13% of this earning €50,000-€75,000
- Most investors engage with their advisors twice annually and make investments annually with the goal of wealth accumulation followed by wealth preservation.
- 35% of investor are typically comfortable investing between €20,000 and €50,000 with retirement funds being the favoured option & tax relief being the reason they invest in EIIS.
- Almost 50% of investors work in the financial services or IT sectors. The investors who work in these areas primarily have professional qualifications.

# Investor Survey Insights

- 15% of respondents are under the age of 45 however this number is currently growing.
- 92% of investors are male with decisions being made on behalf of the household. Using the male partners tax to the benefit of household would be another reason for this.
- There is a mix of active professionals 62% and experienced retirees 33%, with a notable proportion being retired.
- A vast majority of respondents find tax relief and returns as the main driver towards EIIS.

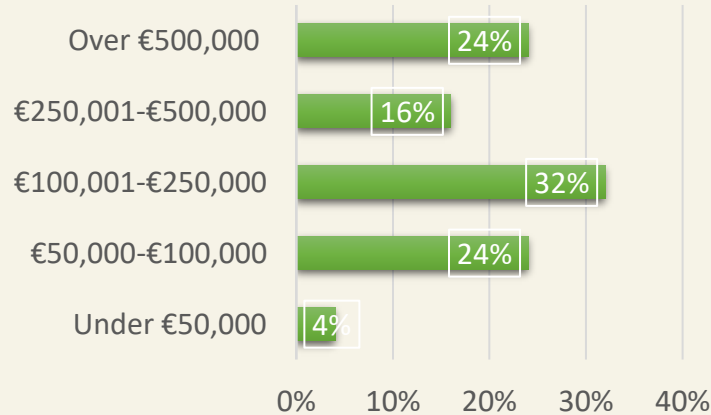
From our data it has been highlighted that the legal sector is an untapped occupational sector with high value earners.



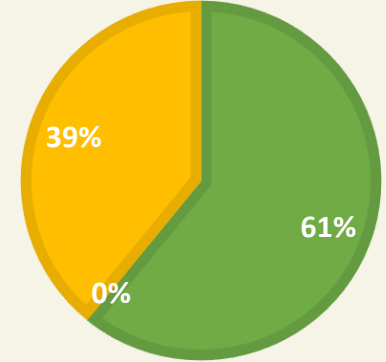
# Broker Survey Key Findings

- Almost a third of broker firms have 2-3 advisors, a small percentage have 11 or more.
- EIS is used 67% of the time annually with 29% of the time on an ad-hoc basis by financial advisors.
- Ad hoc investors that are new to EIS usually become annual as the brokers and their clients become familiar with EIS/BVP and the additional diversification that annual investing offers.

### BROKERS AVERAGE PORTFOLIO SIZE



### BROKER BVP EIS BUSINESS IN 2024



- All brokers surveyed anticipated doing business with BVP in 2024, with the majority (61%) expecting to increase their investment amounts.
- From the survey respondents no broker is expecting to decrease business this year.
- 50% of brokers report that their clients had the same level of disposable income to invest in 2023 and 29% had more disposable income.

# Observations & Recommendations

## FACTORS FINANCIAL ADVISORS FEEL WILL IMPACT FINANCIAL MARKETS IN THE NEXT YEAR

- Interest Rates: An increase in interest rates will generally lead to higher borrowing costs, which can reduce spending and investment, potentially slowing economic growth and impacting stock and bond markets.
- Geopolitical Factors: Conflicts, or changes in government policies may create uncertainty in financial markets and this uncertainty may lead to increased volatility as investors react to potential risks in economic and trade relations.
- Inflation: May erode purchasing power and affect consumer spending which can also lead to higher interest rates as central banks attempt to control inflation,

## INVESTMENT PREFERENCES

- A majority of respondents prefer investing in EIS funds (64.71%), with fewer preferring direct investment into companies (27.50%) or a combination of both (18.42%).
- Reasons for this preference may include
  - Diversified exposure - to multiple companies, thereby spreading risk across various investments.
  - Professional fund managers - make it easier for investors to rely on their judgment and experience.
  - Regulatory Oversight - which can provide an additional layer of security and confidence for investors.

## INVESTMENT STRATEGIES

- Preference for traditional asset classes with a cautious but growing interest in alternative investments.
- Reasons for this include historical reliability: Traditional asset classes such as stocks, bonds, and real estate have a long history of performance data. Traditional assets are also generally perceived as less risky and more familiar compared to alternative investments.
- There is a cautious but growing interest in alternative investments such as private equity, commodities, and cryptocurrencies. This interest is driven by the search for higher returns, portfolio diversification, and new opportunities that traditional assets might not provide.