

🔍 DIB LENS

October 2025



Table of Contents

Executive Summary	3
UAE Retail Investment Market Outlook	3
Key Insights From the Study Reveal	4
Investor Geography & Market Reach	5
Investment Product Preferences	5
Investment Decision Drivers & Behaviours	6
Market Opportunities	7
Summary of Key Insights	9
Appendix	9

I. Executive Summary



Retail investors in the UAE continue to demonstrate significant latent investor appetite – but the platforms meant to serve them aren't keeping pace. Our survey data shows strong investment appetite yet large digital and product gaps in the current investment product/service offerings. Over half the respondents **(53%) report high or very high investment interest, and (59%) adopt moderate to high risk profiles**, indicating an affluent client base. However, **digital experience is the critical battleground** with an average Ease of Investment Score of 3.7 out of 5, and widespread neutral sentiment (59% neither satisfied nor dissatisfied).

The digital experience is lagging, with **14% of clients investing solely through UAE platforms** – a clear signal that customers are looking elsewhere. This satisfaction gap can also be viewed as an opportunity. To compete with global fintechs and wealth managers, UAE banks must move fast – modernising their platforms, expanding Islamic offerings, and organising their services around real customer needs, not internal product lines.

Product holdings are concentrated in traditional assets – **real estate (57%), equities (55%) & mutual funds (43%)** are the cornerstones of the UAE residents' portfolio. Islamic investment products remain drastically under-penetrated – only 6% hold Sukuks despite 51% awareness levels. Similarly, ETFs and digital assets comprise a small part of the resident portfolio, **well below their potential**, despite favorable demographics. 14% of respondents expressed interest in alternative investment opportunities such as art, private equity, REIT and physical gold bars/commodities.

Investors are generally goal-oriented and focused on long-term planning, while digital platforms and regulatory frameworks are still emerging as enablers of wider participation. Despite having high device usage in the UAE, **residents primarily make investment decisions via personal research and peer networks**, not bank-provided guidance. **This is both a missed revenue stream and a retention risk**. Additionally, a significant 82% of respondents cited the **reputation of the provider or platform as their top concern** when considering an investment.

Three strategic imperatives emerge:

1. **Upgrade the digital investment journey** – from onboarding to portfolio construction to real-time insights – targeting 60%+ satisfaction within 12 months.

2. **Aggressively expand Islamic investment products**, including Sukuk, Islamic ETFs, and Sharia-compliant model portfolios, with a goal to double Islamic product penetration.
3. **Organise around client investment goals** rather than product silos, deploying cross-functional teams to optimise key journeys such as "build a diversified Sharia-compliant portfolio for your children's education".

Overall, the UAE retail investor can be classified as one with high value along with high expectation.

- A substantial **28% of investors earn above AED 50,000 per month**.
- **53% with high to very high investment interest**.
- **59% have a moderate to high risk profile** – suiting balanced, globally diversified portfolios.
- **Digital platform satisfaction is only 34%** (20% satisfied and 14% very satisfied).
- **Regulation confidence is decent (59%)** but must be reinforced by visible consumer protection and dispute resolution features.

II. UAE Retail Investment Market Outlook

The UAE's retail investment market is evolving into a more mature, diversified ecosystem driven by rising financial literacy and digital access.

- **High-income and mid-career expatriates** continue to anchor market activity, leading diversification across real estate, equities, and managed funds. Their moderate risk appetite signals confidence in long-term wealth creation despite external uncertainties.
- **Younger investors** are entering the market through digital-first channels, showing interest in equities, digital currency, and fractional real estate – a trend that will define the next phase of retail investment participation.
- **Expanding inclusion among mid-income and lower-income groups** presents a major growth opportunity as affordable, low-barrier investment products could mobilise significant untapped domestic capital.
- **Digital platforms, fintech innovation, and financial education** remain the key drivers for accessibility and sustained engagement.





As awareness of innovative products like ETFs, Sukuk, and fractional real estate deepens, adoption is likely to accelerate – especially with supportive regulation and simplified onboarding. UAE’s retail investment landscape is positioned to play a growing role in capital formation, financial inclusion, and long-term market resilience, strengthening the emirate’s transition toward a more diversified, investor-driven economy.

III. Key Insights From the Study Reveal:

- **Income levels strongly influence investment behaviour**, with high-income investors (28%) pursuing a broad spectrum of assets, while lower-income groups tend to be more selective and risk-averse.
- Majority of respondents have displayed **moderate (35%), high (31%), and very high (22%) levels of interest** in investment activities.
- **59% of participants have a moderate risk appetite** – favouring balanced risk and return strategies.
- **Retirement planning (55%), generational wealth building (51%), and financial security (47%)** remain the key motivators for investors, signaling a long-term shift toward savings-based wealth accumulation rather than short-term speculation.

By nationality:

- **Expatriate Asians:** Well-diversified demand – prioritising equities, mutual funds, real estate, and commodities. They seek balanced growth with steady returns rather than speculative gains.
- **Emiratis:** Strong preference for real estate. Their portfolios emphasise stability and tangible asset security.
- **Expatriate Arabs:** Prefer equities, sukuk, and real estate. They balance traditional assets with moderate exposure to market-linked products.
- **Expatriate Westerners:** Prefer real estate, equities, commodities, mutual funds, and digital currency. They show openness to diversification, including emerging and digital assets.
- **Other nationalities:** Lean towards conservative allocations. They prioritise capital preservation and predictable income over market volatility.

By age group:

- **18-34 years:** Emerging investors with moderate-to-high risk appetite. Hold mostly stocks and digital currency while showing a rising interest in real estate, sukuk, and commodities as entry points into long-term investing.
- **35-54 years:** The dominant investor segment balancing growth and stability. Favour real estate, equities, mutual funds, and commodities for long-term capital building.
- **55+ years:** Conservative and selective investors. Prefer stable instruments such as real estate and fixed-income products, emphasising security and predictable returns.

By income bracket:

- **Below AED 25,000 per month:** Invest primarily in equities and mutual funds with plans to enter real estate – limited exposure to complex or high-risk assets.
- **AED 25,001-50,000 per month:** Focus on real estate, mutual funds, commodities, and equities with gradual openness toward diversified portfolios like debt instruments, digital currency, and fractional real estate.
- **Above AED 50,000 per month:** Engage across multiple asset classes – equities, real estate, debt instruments, mutual funds, and commodities – reflecting greater diversification, liquidity management, and risk tolerance.

By asset class:

- **Real Estate:** Most widely held, showing strong confidence in tangible assets and property markets.
- **Equities:** Also widely held, indicating preference for traditional capital market investments.
- **Mutual Funds:** Popular among investors seeking diversified portfolios with managed risk.
- **Commodities:** Held by a significant portion, often as a hedge against inflation and market volatility.
- **Debt Instruments:** Moderately held, favoured by conservative investors for steady returns.
- **ETFs:** Emerging interest, reflecting growing openness to passive and diversified investment instruments.
- **Digital currency:** Niche but growing among high-income investors, signaling interest in innovative, digital assets.
- **Sukuk:** Limited adoption, indicating conservative uptake of Sharia-compliant fixed-income products.
- **Fractional Real Estate:** Not yet held, but planned by some, suggesting growing interest in accessible real estate investment.
- **Other (Art, Private Equity):** Minimal current adoption, highlighting niche interest in alternative and illiquid assets.



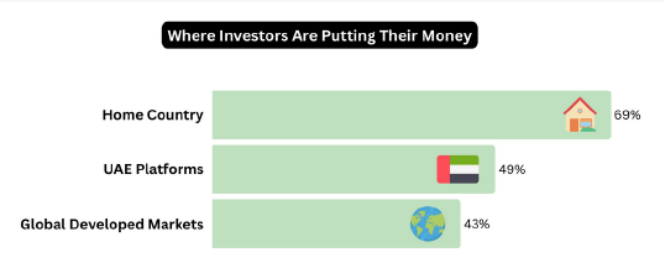


IV. Investor Geography and Market Reach

Strong Home-Country Bias in Investment Location: 69% of respondents prefer to invest in their home country, compared with 49% who invest through local UAE platforms, and 43% who invest in global developed markets (such as the US, UK, or Southeast Asia). This imbalance highlights that while the UAE serves as a global financial hub and offers the Golden Visa, many expats continue to channel wealth toward familiar, home-country markets.

Respondents cited a variety of reasons including the UAE not being their permanent area of residence, geopolitical risks of surrounding countries, lack of familiarity, and limited options or perceived growth potential. Other factors include liquidity and uncertainty, high fees, tax implications, and lack of well-performing indigenous platforms. Collectively, this points to a combination of information gaps, perceived risk, and comfort with home-country markets as key drivers of investment behaviour among UAE residents.

Fig.1: Preferred Geographic Allocation of Investments



V. Investment Product Preferences

Investors demonstrate a varied engagement pattern across financial products, reflecting both traditional preferences and emerging investment trends.

The table ranks these products based on the percentage of respondents currently holding them, highlighting the relative popularity and adoption levels across asset types:

Table.1: Breakdown of Investment Product Preferences

Rank	Investment Product	Currently Hold	Plan to Invest	Aware of
1	Real Estate	57%	24%	37%
2	Equities (Stocks)	55%	10%	39%
3	Mutual Funds	43%	8%	35%
4	Commodities	41%	18%	47%
5	Debt Instruments	27%	14%	57%
6	ETFs	18%	12%	49%
7	Digital currency	14%	8%	49%
8	Sukuk	6%	4%	51%
9	Fractional Real Estate	-	6%	49%
10	Other (Art, Private Equity, Fixed Deposit)	4%	4%	14%

Real estate (57%) and equities (55%) continue to dominate investor portfolios, reaffirming their role as preferred stores of value and growth assets among UAE investors. Notably, real estate also records the highest share of respondents planning additional investment (24%), indicating continued confidence in the asset class despite its already strong ownership base.

Mutual funds (43%) and commodities (41%) also display strong participation. At the same time, several asset classes demonstrate high potential for future growth, combining strong awareness with notable intent to invest:

- **Commodities:** 18% plan to invest, 47% aware
- **Debt instruments:** 14% plan, 57% aware
- **ETFs:** 12% plan, 49% aware
- **Digital currency:** 8% plan, 49% aware
- **Fractional Real Estate:** 6% plan, 49% aware

These patterns point to a market that is cautiously but steadily evolving beyond its traditional asset mix. The combination of strong product awareness, moderate current exposure, and measured intent to expand participation highlights a deepening sophistication among UAE retail investors – driven by growing access to digital platforms, rising financial literacy, and the search for globally linked, low-barrier investment opportunities.

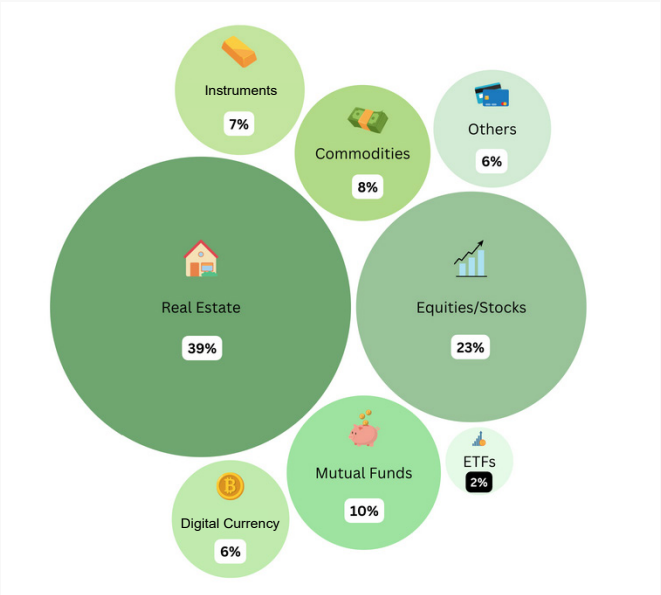




Portfolio Allocation

When asked to hypothetically allocate 100 tokens across various asset classes, respondents revealed a clear preference for traditional and growth-oriented investments in their personal portfolios currently held. The visual below summarises the average portfolio composition derived from the responses:

Fig.2: Portfolio Allocation Overview (Average Allocation %)



Note: Several people had chosen to skip this question.

Real estate continues to dominate portfolios (averaging at 39%) – underscoring its role as the preferred store of value and income-generating asset among UAE retail investors. Equities follow as the second-largest category (23%), reflecting investors’ search for growth opportunities. Mutual funds (10%), commodities (8%), and instruments/fixed income (7%) provide additional diversification but remain secondary.

Meanwhile, newer and digital investment types such as digital currency and ETFs capture modest shares, suggesting measured adoption rather than mainstream participation at this stage. Other assets in the portfolio (6%) include cash/bank balance, private equity, and fractional real estate. Overall, the distribution highlights a conservative-to-moderate risk posture, with most portfolios balancing long-term security and selective exposure to higher-return instruments.

Alternative Investment Interests

A small segment of 14% respondents expressed interest in **non-traditional investments not commonly available in the UAE**, including gold bar schemes, REITs, trading, tokenised assets, dormant/sunset companies, and collectibles such as antiques and paintings.

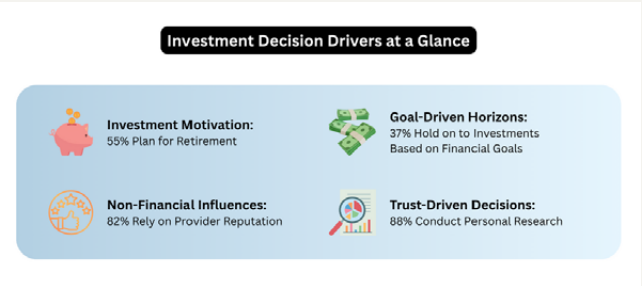
Fig.3: Alternative Investment Interests of Respondents



These preferences indicate a **growing curiosity toward alternative and private-market assets**, reflecting a desire for diversification beyond traditional investments. Respondents showing such interest typically have a moderate-to-high risk appetite, and focus on **ESG impact** and provider reputation for non-financial investment decisions. We have a digitally informed, opportunity-seeking investor segment exploring emerging asset types aligned with global investment trends.

VI. Investment Decision Drivers and Behaviours

Fig.4: At a Glance: Factors Influencing Investment Decisions





Investor Motivation and Financial Mindset

Investment motivation among UAE retail investors is primarily long-term and wealth-focused.

- **55% planning for retirement** – rising attention to long-term financial security.
- **51% building generational wealth** – growing inter-generational financial planning.
- **47% creating a safety net** – increased concern for emergency preparedness and financial resilience.
- **28% funding children's education** – steady but secondary focus on education-linked savings.
- **28% planning major purchases** – representing a more consumption-driven segment of investors.

Goal-Driven Investment Holding Behaviour

In deciding the length of holding their investments, 37% of respondents cited specific financial goals (such as retirement, property purchase, or education) as the primary factor. Market performance and risk tolerance followed (both 16%), while company/asset fundamentals influenced 12%, and macroeconomic factors stood at 10%. Only 8% followed professional advice. These patterns reveal:

- **A financially purposeful investor base** that prioritises personal outcomes over short-term market movements.
- UAE investors **increasingly aligning portfolios with life-stage goals** – a shift that can help stabilise investment flows and extend capital holding periods.
- **Support for longer investment cycles**, encouraging financial resilience and complementing the UAE's broader vision for sustainable, investment-led growth.

Non-Financial Influences on Investment Decisions

A significant 82% of respondents cite the **reputation of the provider or platform** as their top concern when evaluating an investment. More than half (55%) consider alignment with personal values, while 39% prioritise innovation or product uniqueness.

For market developers, these findings underscore that trust, transparency, and strong branding are just as vital as financial performance in attracting local participation. FinTechs that combine credibility with user experience are likely to capture the next wave of growth in the UAE's evolving retail investment sector.

Trust, Platforms, and Confidence

Investors rely heavily on personal research (88%) and peer networks (61%) over formal advisory channels, showing that trust and social validation are central to investment decisions (particularly among mid-income earners).

- While digital platforms are widely accessible, satisfaction levels remain neutral, suggesting opportunities for fintech providers to enhance usability, accessibility, and investor education.
- Confidence in the regulatory environment is moderate, highlighting the importance of sustained transparency, investor protection, and effective communication of reforms to strengthen confidence and participation in the UAE's growing retail investment landscape.

Ease of Investing and Accessibility

Respondents display **moderately positive** views on how easy it is to invest in the UAE, with an average Ease of Investment Score of 3.7 out of 5.

- 54% found it easy (26% rating 4, and another 28% rating 5)
- 14% found it difficult (12% rating 2, and only 2% rating 1)

Investors appear comfortable navigating the market, yet frictions persist – potentially around digital onboarding, platform usability, or clarity of product options. As the UAE works to strengthen financial inclusion, platform design, and user transparency will be key to mobilising untapped retail capital and integrating more residents into formal investment channels.

VII. Market Opportunities

Through our analysis of survey data, we have identified several opportunities for banks and asset managers to expand retail investment participation, improve product fit, and attract new investors.

UAE's retail investment market remains strong but under-utilised. By targeting underserved middle-income segments, enhancing digital engagement, and tailoring products to investors' evolving risk profiles, financial institutions can unlock new sources of demand while advancing financial inclusion. **Banks that align their propositions with income-based capacity, goal-oriented needs, and cultural preferences will be best positioned to deepen market penetration and build durable investor trust.**





Fig.5: Market Opportunities Based on Analysis



1) Expand Offerings in Under-Penetrated Asset Classes

Despite high awareness, ETFs, Sukuk, and fractional real estate remain under-adopted.

Opportunity:

- Launch introductory ETF portfolios and Sharia-compliant fixed-income products.
- Partner with fintechs for fractional real estate platforms.
- Use these products to transition savers into diversified investors.

2) Reinforce Trust & Financial Education

Most investors rely on personal research and peer networks, with limited engagement in formal advisory channels.

Opportunity:

- Offer education-led digital tools with transparent fee structures to build trust.
- Build advisory-led ecosystems that help investors navigate risk and product complexity confidently.

3) Engage the Emerging Young Investor Segment

Investors aged 18-34 years show moderate-to-high risk appetite, holding equities and digital currency, while also exploring real estate and mutual funds.

Opportunity: Develop digital-first investment platforms with fractional, low-entry investment options, and education-focused experiences to build early trust and habit formation.

4) Segment Product Offerings by Nationality Profiles

Distinct preferences reveal strong market segmentation:

- **Emiratis:** Tangible, real estate-focused portfolios are an opportunity for Sharia-compliant real estate and Sukuk products.
- **Expat Asians:** Balanced diversification are suited for multi-asset funds and capital-protected solutions.
- **Expat Arabs:** Moderate risk is a potential for instruments-equity hybrid portfolios.
- **Western expats:** Diversification-driven segment — an opportunity for ETFs, digital assets, and thematic global funds.

Opportunity: Localise offerings and marketing for each nationality segment, emphasising cultural comfort and preferred risk-return balance.

5) Promote Goal-Based Wealth Solutions

Top motivations (retirement planning, generational wealth, and financial security) show a long-term, savings-based approach.

Opportunity: Banks can launch goal-oriented plans and automated savings portfolios, aligning product design with the investor's life stage and financial objectives.

6) Design Tiered Products by Income Segment

Lower-income cohorts have limited exposure to complex or high-risk assets, while the higher-income groups engage across multiple asset categories with a higher risk tolerance.

Opportunity: Banks can design income-based investment tiers, such as:

- **Starter portfolios** (under AED 25K/year): Low-cost ETFs, recurring micro-investment plans.
- **Growth portfolios** (AED 25K-100K/year): Diversified mutual funds, real estate-linked funds.
- **Wealth portfolios** (100K+ AED/year): Multi-asset and global options, integrating fixed income and commodities.





VIII. Summary of Key Insights

- **Investment Motivation:** Investors prioritise retirement planning, generational wealth, and financial security, reflecting a long-term, goal-driven mindset.
- **Product Preferences:** Real estate and equities remain the most favoured assets, with emerging interest in ETFs, fractional real estate, and digital currency among higher-income investors.
- **Home-Country Bias:** Most respondents prefer investing in their home countries, citing familiarity, trust, and perceived security – indicating opportunities to strengthen local market participation.
- **Risk and Decision Approach:** Moderate risk appetite prevails, and investors rely on personal research and peer networks, emphasising trust-centric decision-making.
- **Goal-Driven Investment Horizons:** Investment duration is largely guided by specific financial goals over professional advice and short-term market trends & herd behaviour – signaling disciplined and long-term planning.
- **Values and Innovation Influence:** Non-financial factors such as provider/platform reputation, alignment with personal values, and innovation/uniqueness play an important role, showing investors increasingly weigh trust and product differentiation alongside returns.

IX. Appendix

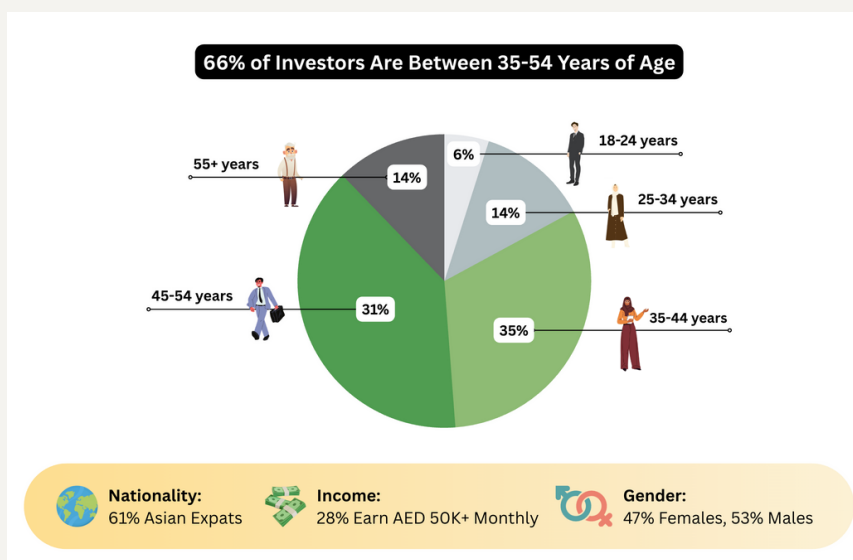
Demographic Profile of Investors:

The demographic trends from our survey highlight how the UAE's cosmopolitan population drives retail investment:

- **Nationality:** Asian expatriates form the majority (61%), followed by other nationalities (14%), Emiratis (10%), and expat Arabs and expat Westerners (8% each) – reflecting the UAE's appeal as a regionally diverse financial hub.
- **Age:** Investors aged 35-54 dominate the sample at a combined 66%, indicating a mid-career population with both financial experience and disposable income.
- **Income:** A substantial 28% of respondents earn above AED 50,000 per month, giving them the ability to participate in diversified investment strategies.
- **Gender:** Gender representation (47% females and 53% males) signifies balanced participation in financial markets.

Both domestic and expatriate capital shape UAE markets, with the mid-career and high-income cohort providing liquidity and diversification, while a well-balanced gender representation points to inclusivity and potential growth in financial engagement across all segments of the population.

Fig.6: Demographic Profile of Investors





Visit: **dib.ae**