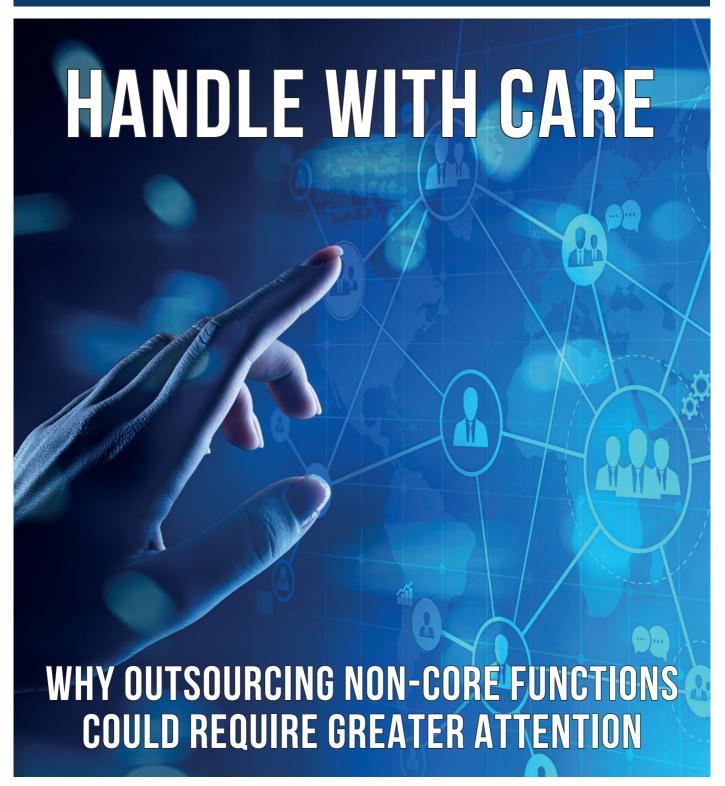
PRIVATE BANKER

INTERNATIONAL



OPINION

How social media posts can affect a court's financial order for divorce cases

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COUNTRY PROFILE

The realms of digital and technology have become deciding factors in Brazil

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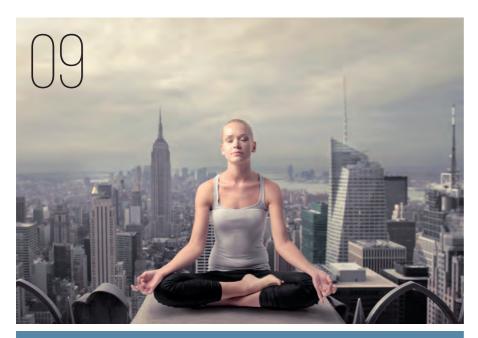
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Wealth managers clearly have much to gain from outsourcing non-core functions; however, regulatory concerns suggest that - in some cases, at least - the process needs to be handled with greater care. Paul Golden writes

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The main topic of interest in the first Wealth Report, published in 2007, was plutonomy. A decade later, and the focus has shifted towards wellness, health and ESG investment. Asena Değirmenci takes a closer look at the findings

COUNTRY PROFILE

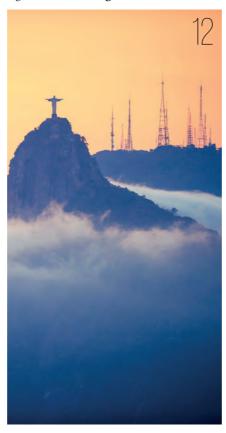
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As one of the world's biggest countries, there is plenty of wealth in Brazil. There are also many wealth management firms, so how can they differentiate? The digital realm has become a deciding factor. Patrick Brusnahan writes



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Cyber-risk and reputational risk are now closer tied than ever. How are the wealthy and their advisers helping work through this minefield? The key is to be proactive and vigilant. Alison Ebbage writes





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A recent case is a stark reminder that the court can and will consider all available evidence when considering what financial order to make on a divorce - and this includes social media posts. Elizabeth Hicks writes



BUSINESS PROFILE

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Family offices pride themselves on growing in parallel with the families they service. Patrick Brusnahan speaks to Charlotte Filsell, head of client relationship management, about how the business has changed alongside its clients



Banking & Payments at a glance

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DIGITAL COMMUNICATION **COMES TO THE FORE**



Patrick Brusnahan, Editor

t is impossible to avoid talking about, so we will write about it: the coronavirus pandemic is still here and affecting every industry. Private banking is no different.

As PBI goes to press, UK Prime Minister Boris Johnson has announced that he has contracted the virus. Health secretary Matt Hancock has also admitted to showing symptoms. If the leaders of the country are not safe from the disease, then who or what is? Certainly not the banking sector.

However, a couple of experts have said rebound and recovery are imminent. Stephane Monier, CIO at Lombard Odier, says: "Our expectation is that, as public health measures taken in Europe and North America start to become effective, the decisive fiscal and monetary measures put in place by governments and central banks will eventually kick in. For this reason, beyond an inevitable recession in corporate earnings in the first half of this year, we expect the second six months of 2020 to see an economic recovery that returns company reporting to positive territory before the year's end."

Dean Turner, UK economist for UBS Wealth Management, adds: "As the rate of infections continues to rise, the news flow is all one way, and sentiment in the markets is following. But we should not lose sight of the fact that this crisis will pass; indeed, amid all the negative news, the success in containing the coronavirus in China and other Asian countries is being overlooked. And this is where the coordinated policy response will really matter. Assuming that firms and workers emerge from the crisis relatively unscathed, fiscal and monetary easing should lay the foundation for a swift rebound for the economy."

So some are predicting high hopes for the future, maybe the only thing one can predict following a drastic slowdown.

One thing that this should inspire is more digital services within the wealth management industry. This is long overdue, with a large number of benefits. According to JD Power's latest investment satisfaction survey, advisers who utilised digital communication tools were 50% more likely to see increased investment compared to those starved of digital tools.

Given that self-isolation is not a catalyst for the human touch in private banking, digital is the way forward. In addition, it will not be a stopgap during the time of Covid-19. Digital communication will continue to be crucial for firms wanting to keep clients happy; if anything, the sector only needs to hurry up.

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utsourcing trends have been analysed across a number of wealth management reports over the last 12 months or so.

For example, a study released by Fidelity Clearing & Custody Solutions in February 2019 reported that 43% of advisory firms were leveraging external consultants, thirdparty providers or individual specialists for select business functions.

The most commonly stated objective of these engagements was to create more value for clients, as advisors felt that successful outsourcing of functions such as investment management and legal and compliance allowed them to focus on deepening their client relationships.

The Fidelity study suggested that advisors that outsourced two or more of the top three outsourced functions were more likely to experience higher AuM and client growth, manage a greater volume of assets and pay their employees more.

The Compeer/Objectway report, The Wealth Management Firm of 2025, found that the majority of large firms would outsource their back office functions if they were starting again, but faced considerable challenges in replacing existing systems, including technology costs and HR issues arising from making large numbers of people redundant.

It noted that for smaller firms, the transition could be quicker and that outsourcing gave these firms access to much larger research and development teams, providing technologies they would be unable to develop and build in house.

Technology is a major factor in any outsourcing decision, according to Nucoro. The fintech published research last September suggesting that more one in five retail investors had stopped using a wealth management service because its digital offering was too weak.

The company said it expected more wealth managers to outsource this part of their proposition to specialist third parties to allow them to focus on their core proposition.

Gilly Green managing partner for wealth management and private banking at Sionic,

MANY FIRMS DIVE INTO **A SELECTION PROCESS** WITHOUT SETTING OUT THEIR OWN VISION

says there has been a growing trend towards outsourcing in UK over the last 10 years from a market largely limited to smaller firms and start-ups to an acceptance of outsourcing as a viable option for managers of all sizes.

One of the key drivers for this trend has been the need to upgrade legacy systems. "Firms with old systems that have become bespoke or out of sync with the latest version on the market have come under significant pressure," she says. "The need to update legacy core systems to keep up with regulation, be scalable and provide a solid source of data for digital and advanced technology solutions has driven this trend."

According to Green, many wealth management firms are blinded by the peripheral technology on offer rather than focusing on issues such as the supplier's cultural match, strategic fit, depth of knowledge in the team, and ability to deliver in the timescales they need.

"There are many firms that dive into a supplier-selection process without setting out their own vision, the principles under which they want to operate, or what growth opportunities they may explore in the future," she continues. "It is vitally important to consider these factors before contacting any supplier."

EXPANDED OPPORTUNITIES

The significant growth of low-cost location resourcing options has expanded the opportunities for a wider range of functions and services, particularly in software engineering.

David Noyce, head of offshore software engineering at Opus Una Financial Services Consulting, adds that high-quality and broad service coverage are more readily available, and advances in communication tools allow seamless and transparent operations across borders and time zones.

However, he also acknowledges that wealth managers need to ensure there is no negative impact on processing error rates or customer



experience through use of a third party.

"Other risk factors include increased difficulties for firms to keep the necessary level of oversight and ownership over their core data and customer interactions and the knock-on risk of potential compliance breaches," adds Noyce.

Over-dependency on third parties is also a possibility. Without the right control framework and ongoing review and benchmarking, a firm can become unable to operate without a particular provider, exposing it to high levels of vendor risk.

In addition to cost considerations, another factor working in favour of outsourcing is that the labour market for wealth management has been tight in recent years, and it can be difficult for firms to find the talent they are looking for - especially if they are located in a place where the local talent pool is limited, says Stephen Van de Wetering, CEO at data management business Empaxis.

"In that scenario, outsourcing makes sense," he continues. "Hiring a remote workforce has become much easier, and the reality is that work does not always come in neat, eighthour increments. The other factor to consider is access to talent. Not everyone is an expert in portfolio accounting, for instance, so it might be better to hire a team of specialists in that area rather than waste time and resources struggling with this function."

A September 2019 PwC report on internal audit planning for wealth management firms observes that firms are outsourcing critical functions to a concentrated set of vendors, which are often unregulated. This is one of the reasons why outsourcing is exercising the minds of regulators, particularly in relation to how it impacts the operational resilience of wealth management firms.

REGULATORY MOVES

The FCA is conducting a consultation on enhanced requirements for outsourcing and operational resilience, submissions for which close on 3 April.

In addition, the EBA's guidelines on outsourcing for investment firms subject to the EU Capital Requirement Directive came into effect on 30 September 2019 for outsourcing arrangements started, reviewed or amended on or after that date.

The EBA has implemented transitional arrangements covering cooperation agreements extending up to 2021, a register of outsourcing and a review of existing "critical or important" outsourcing arrangements entered into before 30 September 2019.

The PwC report authors suggest that while board-level executives are increasingly focusing on outsourcing practices, in most cases this has not translated into clear accountability which often results in no one having a holistic overview of whom the firm is



"Outsourcing firms can provide specialist knowledge - whether that is in operations, execution, technology or compliance - and have the capacity and capability to deliver regulatory change that a wealth firm may be doing off the side of the desk," he says.

RISK FACTORS INCLUDE INCREASED DIFFICULTIES FOR FIRMS TO KEEP THE NECESSARY LEVEL OF **OVERSIGHT AND OWNERSHIP OVER CORE DATA**

doing business with, and the associated risks. Most of the experts PBI spoke to rejected the suggestion that regulation has made outsourcing more challenging though. Clive Stelfox, director at Multrees Investor Services, reckons it makes a compelling case for outsourcing non-core functions.



The need for greater compliance has been a catalyst for the growth in outsourced models, which can deliver far better compliance at much lower cost since in an outsourced model, firms are able to share some costs for all hosted clients.

That is the view of Paco Hauser, global head of markets at Avaloq, who suggests that the main risk factor is the transformation from an old target operating model to a new one.

"The new model needs to be defined in very close collaboration between the client and the service provider," he adds. "Adhering to standards is very important, and sets the foundation for remaining cost efficient. A profound level of work, with experience built up over decades, goes into eliminating risks and making the transformation work seamlessly."

Van de Wetering is a little more circumspect, suggesting that regulation has required more due diligence on the part of the wealth manager when it comes to the vendorselection process.

"The SEC and other regulatory bodies expect firms to do more due diligence when >



choosing third-party vendors, so we see more firms asking about SSAE [an auditing standard for service organisations audit reports and disaster recovery]," he says.

AUDIT AND TRANSPARENCY

It is in the outsourcing provider's best interests to be audited and fully transparent if they want to win business from wealth managers that have strict compliance requirements.

According to Luke McCabe, group executive and head of global wealth at FIS, the argument for wealth managers to outsource to a single provider that can provide both custody and full back office outsourcing has become increasingly compelling. Many wealth managers are therefore choosing to outsource not just operations, but the whole custody model.

"Wealth managers often fear that they will lose control and visibility and that mistakes made by their outsourcing partners will create customer service issues or worse still, regulatory fines or sanctions," he says. "But the truth is that a good outsourcer will give a wealth manager more control than if all operations were managed in house."

At a contractual level, a comprehensive set of key performance indicators backed up by an enforceable service level agreement will enable managers to impose penalties for missed standards. It is also advisable to establish a strong governance model at the outset of a partnership with an outsourcer to ensure that there are clear channels for communication and ways to address issues.

Most outsourcers will have proven operational capabilities and a competitive cost model otherwise they wouldn't be in business. According to McCabe, a savvy wealth

manager will look beyond the functional dataset and consider three key factors: proven operational resilience, cultural fit and longterm planning.

It is the responsibility of the wealth manager to select the right combination of systems, services, people and processes in order to meet its regulatory obligations. It must, therefore, ensure that it has robust and reliable mechanisms to monitor ongoing service provision and make changes as and when necessary.

Using the service provider's standard approach will reduce the risk of service failure and help to control costs suggests Peter Bambrough, management consultant at

"Don't expect a customised, bespoke service at wholesale or 'off the peg' prices," he cautions. "If the service provider is not making a profit, then it is not in their interests to continue to develop, deliver and market that service to increase their client base," he says.

When selecting an outsourced service provider, Bambrough recommends asking the following questions:



"Wealth managers can mitigate this risk by avoiding vendor lock-in and anticipating whether they will build or buy technology at early points in their growth strategy," he says.

They should also ensure that they retain sufficient oversight, and that their outsourcing partner gives them full transparency across all systems and controls. A sensible approach would be to work only with well-capitalised,

IF A PROVIDER IS NOT MAKING A PROFIT, THEN IT IS NOT IN THEIR INTERESTS TO CONTINUE TO DEVELOP, DELIVER AND MARKET THAT SERVICE

- Does the service exist now? Can you see it in action and get references from existing users, or are you being used to help develop a new service?
- How will the service evolve? Regulatory and business requirements are everchanging, so service providers need to be constantly enhancing their systems and services, and
- How does the wealth manager move onto the outsourced service? The service provider should ideally have a welldocumented, proven approach to this.

When businesses grow, the outsourcing of non-core functions can enable firms to attain greater scale, flexibility and speed to market. But Objectway CEO Alberto Cuccu acknowledges that outsourcing ecosystems may run the risk of creating "shadow operations" or resources dedicated to duplicating or checking the work of outsourced partners.

independent counterparties that have invested heavily in technology and security, and have specific experience in the wealth management business as well as in managing outsourcing partnerships.

TECH AND INNOVATION

Managers should also choose a provider that already has the technology and the ability to invest in technological innovation and can provide regular software updates.

It is vital for wealth managers to invest time in a good outsourcing relationship, owned by someone suitability senior within the firm who has the resources and capacity to make the relationship work.

"It comes back to avoiding a 'one size fits all' approach," concludes Stelfox. "An outsource firm is there to look after a wealth management business, and shouldn't disrupt it or expect it to compromise, for example, by curtailing its asset universe or enforcing unreasonable timescales." ■



he assumption in 2007 was that if the wealthy were largely in control of the economy, investing companies that sold things to the rich would result in financial outperformance.

A decade on, and things have changed. The latest Wealth Report looks at key areas including wellness, wealth and investing.

Although investment in wellness assets and services to create a healthier lifestyle is a great reflection into market opportunity, the biggest change for investors will be seen through the expansion of impact investment.

The term impact investment has been simplified to the acronym ESG, which stands for environmental, social and governance. The trend presents a milder form of capitalism, partly driven by a corporate desire to rebuild trust which was believed to be lost after the 2008 financial crisis.

Another significant trend that is likely to be noticed within the next decade is future-proofing businesses. The 2020 Wealth Report reveals that approximately 45% of respondents believe that wealthy investors are becoming more concerned about the

environmental impact of the buildings in which they invest.

HEALTH AND WELL-BEING

A huge opportunity and trend for investors is promoting longer, healthier lifestyles, as more and more young professionals are prioritising their health and well-being.

According to the 2020 Wealth Report Attitudes Survey, approximately 80% of respondents say their clients are dedicating more of their time to personal wellness and fitness. Having more access to green space

REGIONAL GROWTH					
	2019 UHNWI TOTAL	2019-2024 GROWTH			
Asia	103,335	44%			
Africa	4,501	32%			
Australasia	5,931	30%			
Russia & CIS	10,363	23%			
Europe	110,846	23%			
North America	249,900	22%			
Middle East	14,178	17%			
Latin America	14,190	17%			
Source: Knight Frank					

is considered the most important wellness attribute when choosing a new home, followed by the availability of wellness facilities.

Investing in lifestyle has easily become one of the biggest investment opportunities for businesses. Within just a couple decades, average life expectancy is forecast to reach around 110 years.

Living a longer life means wealth will accumulate for longer. Although people will have more money, they will also be faced with challenges, especially if families keep getting bigger. For business owners, more flexible career paths will need to be offered for the purposes of staff retention.

Property and market developers will see an increase in multigenerational housing developments. A change in living patterns will also be noticeable. As people get older and stop working, they are typically more likely to leave cities and move to either the coast or countryside. However, as more people now want to live in the city in their 70s and 80s, new housing stock must become available.

City Well-being

The Wealth Report introduces the City Wellbeing Index to measure how each city is doing and how they are focusing to guarantee their citizens can enjoy the best quality of life.

According to the report, nearly 80% of UHNWIs devote more of their time and money to their own well-being. This concept is not limited to individual health and happiness, but also is a measure of national performance.

There is currently no sufficient measure that illustrates what well-being is or how it relates to wealth creation. The City Well-being Index uses eight measures to compare how cities support their citizens in reaching a higher level of well-being.

A few key factors that have helped measure wellness and well-being in previous Attitudes

Surveys include personal security, lifestyle and healthcare. New factors on the list also include crime, work-life balance and access to green spaces.

In City Well-being, results show that from a global comparison, European cities are in the lead. Oslo takes first place, followed by Zurich and Helsinki tied in second. Vienna comes in fourth place, having spent the last 10 years in top position in the Mercer Quality of Life Index. Madrid comes in at fifth place, followed by Stockholm at sixth and Sydney in seventh - the highest ranking for Australia. In North America, Montreal takes ninth place and in Asia, Singapore takes 10th. In the Middle East, Dubai takes 15th place.

Taking into consideration the key factors noted earlier, Oslo leads on the basis of green space. Roughly 68% of the city's public space is made up of parks and gardens, according to the World Cities Culture Forum. In Singapore, green space makes up a total of 47% of the city.

In terms of daylight, Dubai comes in first place with an average of 3,509 hours of sunlight a year. Los Angeles comes in second

PERCENTAGE WHO SAY WEALTH					
HAS INCREASED	WILL INCREASE				
89%	77%				
51%	73%				
67%	63%				
81%	61%				
80%	50%				
71%	50%				
63%	48%				
38%	44%				
30%	43%				
56%	38%				
	89% 51% 67% 81% 80% 71% 63% 38% 30%				

slowdown is heightened geopolitical tension.

In spite of this 10-year low, the population of UHNWIs with a net worth of \$30m or more rose by 6.4%. According to the Attitudes Survey, 63% of respondents said that in 2019 their clients' wealth had increased. Only 11% of respondents said their clients' wealth had decreased

In 2019 alone, an increase of 31,000 additional UHNWIs were created, now

PROPERTY MAKES UP THE LARGEST PROPORTION OF INVESTMENT PORTFOLIOS HELD BY UHNWIS, WITH EQUITIES COMING IN SECOND AT 23%

with 3,254 hours. In terms of hours worked per day of vacation, Moscow has the lowest ratio, at 51.6 hours worked for each day of vacation. Paris comes second with 55.4 hours.

WEALTH

The economy is strongly defined by wealth, and critical to understanding future outcomes is knowledge of who holds it, how concentrated it is, how it is sent and where it is moving in the world.

Property makes up the largest proportion of investment portfolios held by UHNWIs, with equities coming in second at 23%, according to the 2020 Wealth Report. Around 77% of respondents say that North American wealth will rise in 2020, while more than 40% of respondents in the report say that European, Middle Eastern and UK wealth with stay the same in 2020.

In 2019, the estimated global GDP growth was 2.9% - 3.5% down from the previous year and one of the slowest growths in a decade. One defining explanation for this

bringing to total to 513,200. By rank, North America dominates in terms of individuals worth over \$30m with an estimated 240,575 UHNWIs; China closely follows with 61,587. It is estimated that by 2024, Asia will be the world's second-largest wealth hub.

Despite the dramatic increase, Asia's numbers will still be half the size of North America, where growth is estimated at 22% over the same period.

The Attitudes Survey also reveals that around 23% of UHNWI investment portfolios are made up of equities, meaning that their performance is a key driving factor for rising wealth.

Over half of UHNWIs are expecting political and economic challenges, as well as a global economic slowdown. A survey by UBS in 2019 revealed that around two-thirds of investors believe geopolitics are the main drivers behind equity markets. Nonetheless, consumer demand and spending has been just as volatile - manufacturing has been the only area that is struggling to keep pace.

Since the global financial crisis, the proportion of global GDP has stalled between 28% and 30%. Within the next five years, it is estimated that global UHNWI numbers will grow by 27%. Six of the 20 fastestgrowing countries measured in the survey are located in Asia (India leads with 73%), five are in Europe (Sweden leads with 47%) and three are in Africa (Egypt leads with 66%).

The report reveals a positive pathway, as nearly 55% of respondents expect client wealth to increase in 2020. Respondents located in North America were more optimistic, with nearly 77% expecting an

ECONOMIC AND POLITICAL

The 2020 edition of the Wealth Report analysed 100 cities around the world in a bid to detect economic and political themes that could influence the growth of UHNWIs.

New York and London are two cities that continuously compete with each other for top spot - they remain the only cities that hold Alpha++ status according to the Globalization and World Cities Research Networks city classifications.

Wealth

In the latest results, New York comes in first place, with London following in second. The three categories on which these metrics are based are wealth, investment and lifestyle. The next few cities that follow are Paris, Hong Kong and Los Angeles.

According to the City Wealth Index, North America dominates with eight cities in the overall top 20; Europe and Asia both come

place. Each year the Wealth Report analyses the level of diversity of private investment in real estate; Beijing comes in at number one with \$42bn. In terms of diversity of investors and the number of nationalities investing, London comes out in top position.

The reports also analyse city power in terms of the number of top global businesses. The results put Tokyo in first place, with the highest number of Forbes 2000 HQs.

Lifestyle

The lifestyle ranking is based on measures including hotels and restaurants, quality and number of top universities, and levels of connectivity - all of which strengthen a city's appeal to the public.

The Wealth Report measures connectivity by looking at the number of international and national destinations served by each of the city's main airports. European cities take the lead, with approximately 392 destinations being served by London's airports, making it the highest globally. Paris comes in second with 320, and Frankfurt third with 302.

INVESTING

According to RCA data, commercial real estate gained \$333bn of private capital in 2019. Methods of investing are becoming even more sophisticated as many UHNWIs are creating family offices to overshadow their competitors. The wealthy are also placing their resources into property funds, funding property companies, and putting more money into private equity funds.

Of the respondents in the Wealth Report Attitudes Survey, 28% say their clients' funds

GLOBAL UHNWI DISTRIBUTION INDIVIDUALS WORTH OVER \$30M US 240,575 China 61,587 Germany 23,078 France 18,776 Japan 17,013 UK 14,367 Italy 10,701 Canada 9,325 Russia 8.924 Switzerland 8,395 Spain 6,475 India 5,986 South Korea 5,847 Source: Knight Frank

60% of them are self-made to some extent, and one-fifth are completely self-made. Nearly 66% of respondents say they saw total client wealth increase in 2019, and a further 59% expect this to continue growing throughout 2020. More than 20% say they are planning to increase their allocations to property.

ENVIRONMENTAL OUTLOOK

Over the next decade, well-being and sustainability will be the two main subjects that will influence the shape of commercial real estate markets.

Well-being can help promote a best-in-class working environment, which is a key aspect of an effective talent-management strategy. This can been seen with offices that are well equipped of amenities that support staff well-being, including improved indoor air quality, circadian lighting, access to healthy food and beverages, gyms and fitness classes, cycle storage and maintenance services, and end-of-trip facilities.

Although the office environment has assisted the increase of physical health, another aspect that cannot be overlooked is that of mental well-being.

It is estimated that depression and anxiety cost the global economy \$1trn a year in lost productivity. Approximately one in four individuals will experience mental illness during their working careers - and the figures will continue to rise.

In order to promote better lifestyles and working envoronments, future office buildings will offer increased access to green spaces, educational events and programmes, sanctuary spaces, and access to fresh air through winter gardens and terraces.

WELL-BEING CAN HELP PROMOTE A BEST-IN-**CLASS WORKING ENVIRONMENT, WHICH IS A KEY** ASPECT OF TALENT-MANAGEMENT STRATEGY

in second with five cities each. In regards to wealth and the number of HNWIs and UHNWIs in each city, New York has the highest number of UHNWIs, with Paris coming in second place. Tokyo holds the highest number of HNWIs, followed by New York. Los Angeles places third for both HNWIs and UHNWIs.

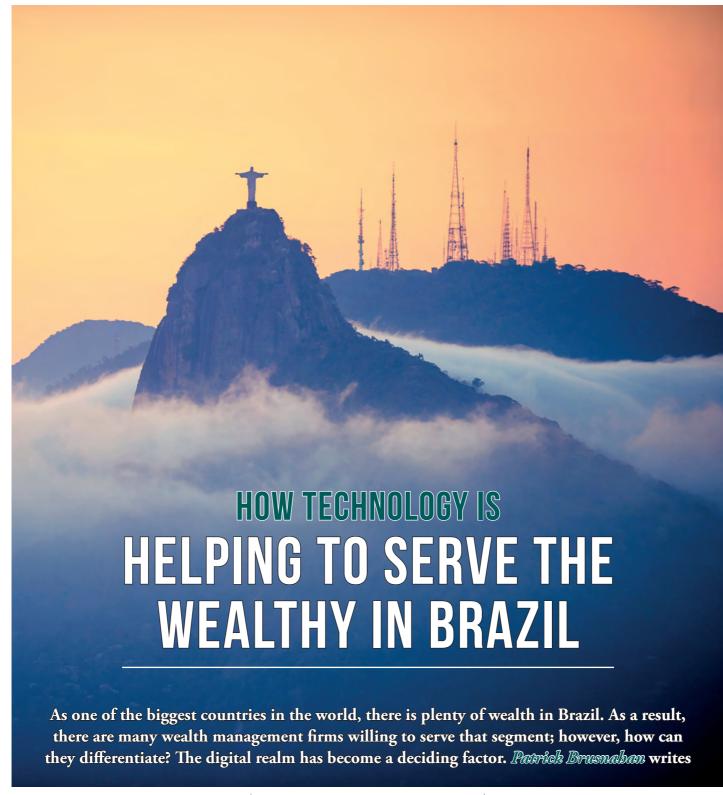
Investment

New York leads the overall ranking for investment, with London following in second

were assigned to property as an investment. Nearly 23% said outstripping equities, and 17% said fixed income.

In the 12 months to the fourth quarter of 2019, \$122bn was invested in residential accommodation. Offices soon follow with a total investment of \$85bn. Online shopping also takes a shift as global industrial investment reached \$42bn, with retail closing in at \$45bn.

One-tenth of wealth managers report their clients as being millennials. Approximately



ccording to Knight Frank, there are 4,812 UHNWIs holding wealth of over \$30m in Brazil.

In addition, GlobalData states there are 99,731 HNWIs in the country. Of this number, 13.2% of them are 40 years old and under, compared to 11.8% across Latin America and the global average of 5.7%. This shows that there is a fair amount of emerging wealth coming from younger clients.

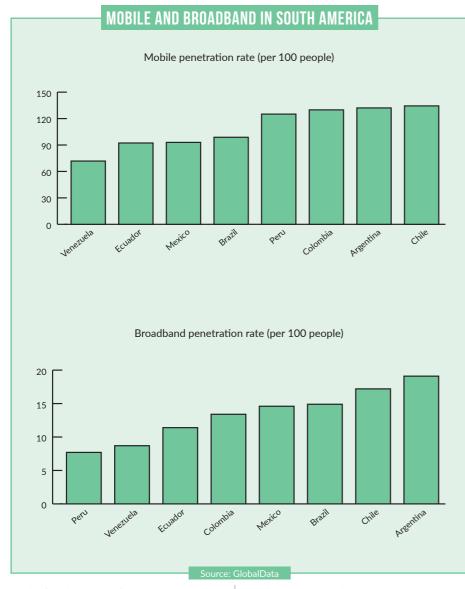
The largest age segment was 61-70 years old, with 28.3% of HNWIs falling in this bracket. While this is over double the number of under-40s, the gap is shorter than average. Across the world, the 61-70-year-olds beat the under-40s nearly sixfold.

São Paolo is the city with the largest number of HNWIs in Brazil, accounting for 18.4% of the total, followed by Rio de Janeiro with 5.8%. So, with a substantial amount of

wealth in the country, how are private banks serving these members of the population?

SERVICING THE WEALTHY

Brazilian giant Itaú saw net income of BRL28.36bn (\$5.49bn) in 2019, a 10% rise from the BRL25.73bn reported in 2018. In terms of revenue, Itaú recorded BRL119.8bn in 2019, as compared to BRL111.8bn in the previous year.



The fourth quarter of 2019 also improved year on year with net income of BRL7.3bn, up 13% from BRL6.5bn in the fourth quarter of 2018. Furthermore, revenue lifted from BRL17.4bn to BRL19.4bn in the same period. Assets under administration in the fourth quarter of 2019 totalled BRL1,387bn, up from BRL1,131bn year on year.

So where does Itaú see itself in the market? Right at the top. Speaking to PBI, Luiz Severiano Ribeiro, global head of Itaú Private Bank, says: "Itaú is the leader in private banking in Brazil, with more than \$125bn of assets under custody globally and above 30% share of the domestic market.

We believe that for our business to be truly sustainable, our relationships with clients must exemplify trust, ethics and transparency. We offer our clients tailored solutions that are aligned with their individual needs and expectations and supported by a comprehensive global platform of products and services.

"Along with Itaú's broad institutional structure, our clients are directly served by more than 700 highly qualified, dedicated professionals in our platforms in Brazil, the United States, Switzerland, Latin America (non-Brazil) and the Caribbean.

Bank, tells PBI: "Bradesco has been in the financial market for 77 years, building solid relationships with its clients. Consolidated for 19 years in the market, Bradesco Private is one of the biggest banks in Brazil.

"We have a close relationship with our clients, and in order to be even closer, we started operating in synergy with the Investment Bank BBI that won for the fourth consecutive year in 2019 The Banker's award for the most innovative bank in Latin America.

"Furthermore, to ensure that we can serve clients through the whole country, we have 14 offices distributed throughout the main states. We also acknowledge that clients nowadays have a bigger portion of their assets abroad, and we are heading the same direction with a project of international expansion in USA in addition to the offices we have in the Caymans and Luxembourg."

A CARNIVAL OF CLIENTS

How does Brazil's market differ from others? There is certainly a wide variety of customers available to provide banks.

In terms of the local market, Miranda says: "Different from the past, Brazil today has the lowest interest rate in history due to the government's continued fiscal effort to anchor inflation close to the target. Although Brazilian inflation is in line with our peers, the real interest rate still has room to converge to the average for emerging markets, which suggests an opportunity for fixed income assets.

"After some years of recession, Brazilian companies have equalized their balance sheets, adjusted costs and have been able to generate profits between 12% and 15% on average in 2019, even with a modest GDP growth of 1.1%. Consequently, equities have

ALTHOUGH BRAZILIAN INFLATION IS IN LINE WITH 44 **OUR PEERS, THE REAL INTEREST RATE STILL HAS** ROOM TO CONVERGE TO THE AVERAGE

Ribeiro continues: "In 2019, we posted a record \$10bn in net new asset inflows and record-high client satisfaction numbers."

Bradesco reported a book net income of BRL22.6bn in 2019. It also holds \$1.4trn in total assets - and itself in high regard when it comes to private banking. Augusto Miranda, global head at Bradesco Private

become attractive and we have observed high migration to these investments in recent years, which has stimulated IPO and follow on markets."

Ribeiro adds: "Historically, the Brazilian market had very high nominal and real interest rates, which resulted in client asset allocation very tilted to money market

products. This has changed dramatically over the last two years, and client asset allocations have been migrating to riskier assets as equities, inflation-linked bonds, real estate and other alternative investments."

He describes the Itaú's client base as "broadly representative" of the HNWI population in Brazil; however, the bank clusters clients in numerous groups outside of asset size, including "age, hobbies, expenditure habits, and how digital and technical they are".

In terms of what the Itaú customer base is interested in, Ribeiro explains: "In this new context of low interest rates in Brazil, clients are pursuing more sophisticated investment alternatives, and we expect to continue to

BRAZIL SNAPSHOT							
	2017	2018	2019E	2020F	2021F	2022F	
GDP Growth rate (%)	1.06	1.11	0.89	1.92	2.23	2.22	
GDP per capita (\$)	9,974.81	9,043.24	8,886.71	9,099.43	9,553.08	10,016.08	
Inflation (%)	3.45	3.66	3.74	3.42	3.76	3.55	
Exports (% of GDP)	12.24	14.62	15.75	16.09	16.41	16.72	
Source: GlobalData							

advantage of new tools and digital channels. Generally, clients like to use digital channels for 'commodity-like' tasks such as payments and credit card related activities. But when markets are volatile, when more strategic decisions need to be taken, clients really appreciate live meetings and calls with our teams."

artificial intelligence platform, and it invests BRL2bn annually in innovation.

"Currently, technology plays an important role in our client's life in and out of the bank," Miranda concludes.

"Bradesco Private Bank has two big technological projects with the purpose of offering our clients and bankers a better experience. The first service will be a platform that will unify all the clients' information on a single screen; therefore, the banker will have a 360-degree and integrated view of the client, an efficient CRM and agility in the processes. As technology is in constant advance, we will use an agile project methodology and the platform will be improved and activated constantly.

"Another service that we will offer our clients and bankers is a tool that will have customised reports that will allow the consolidation of family assets. With this technology, our bankers will have a more holistic view of the client's portfolio in a way that they will be able to offer more relevant products for each of their clients."

THE MAJORITY OF OUR CLIENT BASE IS MADE UP OF YOUNG PEOPLE, ENTREPRENEURS, HEIRS AND AN INCREASE IN SELF-MADE WOMEN

see rapid growth in the hedge fund industry, in alternative products and in international investments.

"At Itaú Private Bank we have been preparing for this structural change for several years, working to enhance the sophistication of our products and services and strengthening our international platforms so that we can continue to offer a comprehensive global platform to our clients."

At Bradesco, Miranda says: "We segment our clients according to the AuM they have in the bank. The majority of our client base is made up of young people, entrepreneurs, heirs and an increase in self-made women, and we offer experiences and events that are customised according to their profile.

"They have particularly been interested in fixed income as it has proven to be profitable in the past. Furthermore, with the new scenario of low interest rates, investors have been looking for better returns in products such as equities and hedge funds."

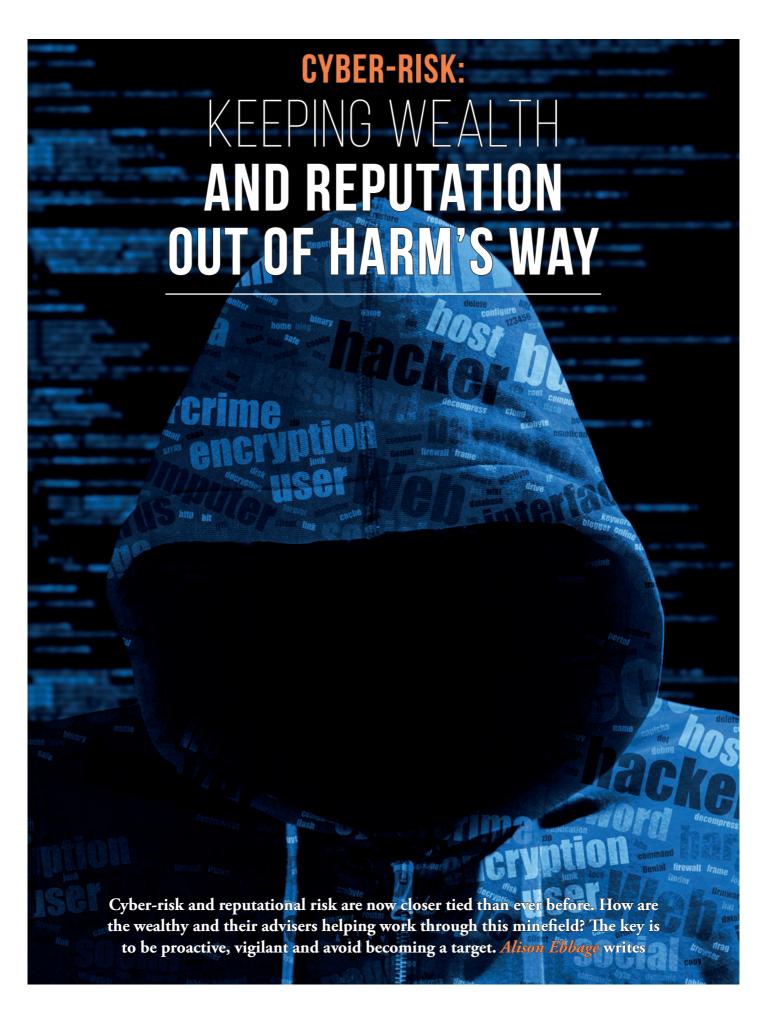
TECH AND DIGITAL

Private banking is founded on relationships. Human interaction and relationships are key. However, technology is being increasingly utilised by firms. While this may look counterintuitive to the business proposal, clients are liking it in Brazil.

Ribeiro says: "Listening to our clients, we heard that most of them want to take

Bradesco has had a huge digital initiative in recent years, and prides itself on embracing technology. According to its 2019 report, Bradesco has 11.8 billion transactions via digital channels in the year; this is even considering its substantial physical footprint of 4,478 branches. In addition, there have been 269 million transactions with its





xposing celebrity secrets and personal affairs and digging into the and powerful marks an era where public consumption of personal private affairs seems to know no bounds.

Similarly, in an age where data is the new oil, cybercriminals will go to extraordinary lengths to get hold of personal details and either sell that on, commit identity fraud or even hold the individual to ransom for their own data.

Julian Pike, head of the reputation management team at Farrer, comments: "Private affairs, commercial arrangements, private relationships: all are vulnerable if they get into the public domain, and that means that the individual can be exploited somehow or be subjected to reputational harm."

How then can wealthy or famous individuals work to secure their data and stop themselves becoming a target?

RISK ASSESSMENT

Starting at the beginning, Pike says the first step is to have a look at the risk profile of the individual in terms of how interesting they are likely to be, and to whom.

This gives an idea about how much trouble an individual or family needs to go to in terms of finding out what is out there already, what elements of that are interesting and why, how data or information could be used, and then the steps possible to mitigate any reputational impact.

assessment on the family, employees and then systems and third-party relationships.

Paul Price, senior associate - cyber at Schillings, comments: "The first step is to look, on a regular basis, and find out what is actually out there. A typical search might throw up an electoral record, plans for house renovations or architect plans that might show the location of CCTV or the location of a safe, for example. We search to find out what is out there and then we move to remove it - or at least mitigate the risk."

Richard Horne, partner at PwC, comments: "Indirect data leaks are another big issue. One common thing we see is planning permission with personal details. Some HNWIs use companies to buy property so that their personal details do not appear on the land registry."

A thorough check of this sort goes beyond a Google search: it involves accessing the dark web to find out what is already there or what could potentially be linked to the individual, the family or the business. Often, notes Pike, the trick is in finding something relatively innocuous such as an old mobile number or email address that could be linked - even worse, current details could be sold on to phishers or at the very least leave the family open to blackmail and harassment.

"Specialist firms can carry out these searches via forensic exercises that give access to hard-to-see information – it's important to realise many people don't actually need this, but there needs to be awareness of any

families hiring security to be able to travel without being noticed and then children leaving GPS on their phones and texting friends. There is also enormous reputational risk of being photographed in inappropriate situations or locations, as well as the obvious one of advertising that a family is on holiday. For that reason, some families now enshrine policy and procedure around social media into their more generic security and privacy

Horne comments: "A big issue is taking care of the digital footprint and being aware that any information an individual gives out can end up in a very different place than where it was intended to. People need to be made aware of the risks of giving out information freely that could be used by others - children, for example, over social media or employees inadvertently giving away information."

Social media is a particular danger zone when it comes to false identity. Horne comments: "When it comes to reputational risk, one of the biggest areas for exposure is social media - in particular, other people using someone's name and pretending to be them, so it is wise to always be on the lookout for people using accounts with your name on them. HNWIs often also use aliases to stop their real name or date of birth or anything identifiable appearing on a real account."

DEVICES

Once the issues of what is out there and what should not be out there has been dealt with, the next move is to protect devices.

Awareness of this is generally good, but again, most people think it will not happen to them and remain unaware of just how easy it is to obtain personal details and then use them fraudulently. Indeed, most leaks are where weak passwords have been chosen or social engineering or phishing has taken place. Ultimately, if you are a fraudster with bad intentions, then social engineering is pretty easy. Constant awareness is, therefore, of paramount importance.

Horne comments: "We have an interesting exercise where we ask people to imagine what would happen if their phone were stolen, and then work through all the ramifications with regard to information and data and what might happen if it were to get into the public domain or into a dark web where hackers and other cybercriminals would use it.

"Data found on a mobile could be unpicked so easily to create a very believable identity fraud."

PEOPLE NEED TO BE MADE AWARE OF THE RISKS OF GIVING OUT INFORMATION FREELY THAT COULD BE USED BY OTHERS

"Sometimes people can be massively wealthy but not all that interesting as they don't have a public persona. Public figures and celebrities are much more interesting to some," Pike says.

The next step is to perform a security audit to find out where vulnerabilities lie - this is an exercise to work out high-risk points on the individual, their wider family and employees to find out where any weak spots may lie.

A key element of this is finding out what information is already public, and how that could give rise to further vulnerabilities. This entails performing an information risk vulnerabilities too. Most people think it won't happen to them," says Pike.

Following on from that is looking at the data that the people hold on devices to find out what devices people are using, how they are all linked and most importantly, the data that each device holds, who can access it and how it is protected.

EDUCATING PEOPLE

Indeed one of the weakest links when it comes to data protection is people - either inadvertently sharing data or not having properly protected devices. Social media is one of the biggest threats; there are cases of

Horne adds: "The use of password managers and multifactor authentication is a simple step to take. We advise that people should always look for anything other than a static password. When it comes to passwords, we look to have different passwords for different services and not simple ones that are easy to guess. So, for example, don't have the same password for Facebook as you do for online banking."

Other common-sense solutions include using separate devices for work and home, and making sure that dual-factor or multifactor authentication is used for access.

NETWORKS

Clearly, there is much that can be done on the device and personal front, but the same issues also apply when it comes to dealing with trusted third parties.

Indeed, data leakages from third parties are rife. The Paradise Paper leaks came not from individuals but from a law firm; this means that the security with trusted advisors needs to be robust.

Price says: "Big companies like Facebook, LinkedIn and British Airways have been hacked, so is there any exposure there? It's really hard to manage things when it is third parties leaking data, and so the next thing to do is exercise care over who third parties are."

A key element of this would be secure messaging, meaning it would be hard to get

data via email and send false instructions or attempt to otherwise fraudulently gain access or information.

Horne comments: "The way that the HNWI interacts with an advisor is ripe for examination. There is always a trade-off between the convenience of sending an email and the advisor carrying out the instruction.

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Horne comments: "It's always worth thinking about this in terms of 'what would a small company do?' and then replicate the same measures. Ransomware attacks - where all data is encrypted and, to get the keys, the firm has to pay out money - are common in the business world, and probably will extend to individuals too."

TRUSTED ADVISORS HAVE TO MAKE THEMSELVES **ROBUST AGAINST CYBERATTACKS, AND MAKE** SURE THAT THE DATA THEY HOLD IS SECURE

Emails are, however, easily hackable, and so there needs to be tighter security protocols that work on a practical level as well as a security level."

Restricting access to certain data and thus decreasing the amount of potential attack points should come next. This is something for the third party in particular to address. Indeed for their own reputation they do not want to be bringing cyber criminals to the doorstep of a client.

Indeed one of the most common types of attack is simply to hijack the network or device and demand a ransom, or simply sell on the data that has been stolen from accessing networks.

"Clearly, trusted advisors have to work to make themselves robust against cyberattacks, and make sure that the data they hold on individuals is secure and that sensitive information is not taken, for example, onto trains or left on desks. There is also the legal obligation to take technological and organisational steps to mitigate risk.

He concludes: "Private banks could and should be engaging with clients on all this. Clients need to heighten their awareness and work with the private bank to develop resistant tactics that are used as a matter of course rather than once something has gone wrong and it is too late! This is a part of safeguarding that private banks are tasked with."



ROUND-UP

CITIBANK SINGAPORE AIMS TO DOUBLE **WEALTH MANAGEMENT BUSINESS**



Citibank Singapore is planning to double its wealth management business in terms of market share from its current 5%, alongside customer numbers by 2025.

The bank's Singapore chief executive, Brendan Carney, is of view that the retail and wealth management business may further accelerate growth following an 11% increase in assets last year, including 19% client asset growth from its wealth management segment.

As part of its plans, the bank invested in a new four-storey wealth management centre based in Singapore's Orchard Road shopping district.

Investec scraps stake sale due to volatile market

Investec has abandoned plans to offload a 10% stake in its asset management business, NinetyOne, as a result of the impact on stock markets heightened by the Covid-19 outbreak.

The stake sale offer was part of the listing of NinetyOne. Investec will now retain a 25% holding in the asset management business, instead of the planned 15%.

SLA PROFIT TUMBLES ON OUTFLOWS: WARNS OF TURBULENT 2020

Asset manager Standard Life Aberdeen (SLA) has posted an adjusted pre-tax profit of £584m (\$675m) for 2019, a 10% decrease from the previous year. The performance in 2019 was hit by £58.4bn in outflows. Fee-based revenue dropped 13% year on year to £1.63bn.

Of the total outflows, £41bn was lost as a result of Lloyds Banking Group's decision to terminate a £109bn asset management contract with SLA.

Banca Generali and Reply launch Investment Challenge

Banca Generali and Reply have launched the first edition of the Investment Challenge, an online trading competition for European university students. The challenge was founded by Reply and based on the BG Saxo Trader Go platform.

Participants will deepen their understanding of key financial instruments and test their skills through BG Saxo's online trading platform, BG Saxo Trader Go. The goal is to develop a real investment strategy that will protect an original virtual capital of €1m (\$1.138m).

As part of Reply's Challenges programme, the Investment Challenge was created to foster coding culture and stimulate digital innovation in creativity, cybersecurity and finance.

LOMBARD INTERNATIONAL REACHES AN ALL-TIME HIGH OF ASSETS IN 2019

Lombard International Group saw assets under administration reach €48.4bn (\$55.3bn), a record high, in 2019.

This was a 17% increase from the previous year, and the rise was attributed to positive net flows and investment performance. In addition, new business premiums set another record at €5.7bn, 25% higher than in 2018, as a result of higher sales in the US and Europe.

ANZ to trim advice headcount by 230



Australia and New Zealand Banking Group (ANZ) is set to cut 230 people from its headcount at its private bank and advice business in order to reduce costs and build profitability.

Extreme pressure on the banking industry along with record-low interest rates are said to be the key factors triggering the downsizing exercise. However, the adverse effect of the Covid-19 outbreak on the economy is also said to have played a major role in the decision.

EMPOWER ANNOUNCES \$20M IN SERIES A FUNDING



Empower has announced \$20m in Series A funding, with participation from investors including Icon Ventures, Defy Ventures and Nubank founder and CEO David Velez. Existing partners Sequoia Capital and Initialized Capital also joined this round.

The mobile app company provides a banking experience that combines AI and human coaching to power personal financial solutions such as high-vield deposit products, easy budgeting and spend tracking, bill negotiation, subscription management, and personalised recommendations.

This latest financing is followed by the company's launch of high-interest checking and automated savings accounts at 1.60% APY with no minimums, no overdraft fees and unlimited withdrawals.

Global art sales plunge to \$64.1bn in 2019

A report by UBS and Art Basel has revealed a slump in global art sales in 2019, with the US retaining its top spot in this market.

The report polled 1,300 HNW collectors in the US, UK, France, Germany, Singapore, Taiwan, and Hong Kong. According to the study, global art sales dropped 5% year on year to \$64.1bn in 2019. ■

HOW BEING ANTI-SOCIAL MEDIA CAN BE A BIG MISTAKE WHEN IT COMES TO WEALTH

The recent case of Haskell v Haskell (2020 EWFC 9) is a stark reminder that the court can and will consider all the evidence which is available when considering what financial order to make on a divorce – and this includes social media posts. Elizabeth Hicks, partner at Bryan Cave Leighton Paisner, writes



'n brief, Haskell v Haskell involved a Russian multimillionaire who had an international complex corporate and trust structure in countries ranging from Africa to Sweden to Russia.

He and his wife had been married for 11 years before the marriage broke down due to his serial affairs and use of alcohol and cocaine.

While initially he promised to support his wife and their three children, one of whom was severely disabled, his position changed when he realised that there was no possibility of them reconciling. He became extremely financially controlling: he stopped paying maintenance, refused to pay rent on their London apartment, and did not deal with the possession proceedings. His wife and children will be evicted in March 2020.

While the husband had stopped paying maintenance, he continued to live the high life, travelling around the world and throwing lavish parties in his £10m (\$11.6m) Cape Town home while holding expensive vintage bottles of wine. The court knew this because the husband posted regular photographs and updates on social media. The judge condemned the husband's social media posts in which he stated "life is beautiful" and "it was a beautiful year", while at the same time he was trying to sell the flat where his disabled child lived with her grandmother and was refusing to pay maintenance.

The husband portrayed himself as being in debt to the tune of £50m, excluding his trust assets. Having heard evidence over six days, the court concluded that while the husband was in a period of transition in his business, simply taking a snapshot view of his financial position now was not realistic, and it was plain that he had not changed his lifestyle or tried to sell one of a number of his properties. take into account a whole host of factors including the parties' resources now and in the foreseeable future, and the standard of living enjoyed during the marriage. Every case is decided on its own facts, and the court has discretion on the type and level of financial order to make.

It was plain from the facts of this case that the husband's portrayal of himself as someone who was in dire straits was far from the truth, and that he would be in receipt of very substantial resources in the reasonably foreseeable future.

The writer sees more and more cases where social media plays a part in divorce proceedings. Often, the financially wealthier party will try and hide the reality of their assets behind a complex web of corporate and trust structures, involving inter-company loans and debts, and plead poverty. But they just cannot stop themselves from telling their friends and the world at large about their wealth and the lifestyle they are leading.

THE FAMILY COURT IN ENGLAND AND WALES HAS AN INQUISITORIAL ROLE, AND WILL LOOK AT ALL THE EVIDENCE AVAILABLE TO GET TO THE TRUTH

The court awarded the wife what she needed on the basis of a cash sum now (£647,732), with the balance in two years (£5.181m in March 2022), to allow the husband the transition period he was seeking for his business interests to develop.

When a court considers the level of financial order to make, the judge must

It is worth remembering that once something is posted on social media, it can and will be used in any future divorce proceedings. The family court in England and Wales has an inquisitorial role, and will look at all the evidence available to get to the truth.

The message here is that the truth will come out.



COUNTRY	NAME	MOVED FROM	OLD POSITION	MOVED TO	NEW POSITION
USA	Scott Conking	Vanguard	Principal and head – institutional investor services	Vanguard	Head - Asia operations
USA	Bill Rudnick	Cresset	Senior partner; general counsel	Cresset	Head – family office services group
China	Rimmo Jolly	Citi Bank	Regional head – ETF and index sales and business development, Asia-Pacific	BlackRock	Head - iShares Asia-Pacific
UK	Steven Bowen	JTC Group	Chief risk officer	Zedra	MD
Switzerland	Marlene Amstad	Swiss National Bank	Deputy director; head – investment strategy and financial market analysis	Finma	Vice-chair
China	Greg Hingston	HSBC	Lead - wealth and personal banking, Hong Kong	HSBC	Regional head – wealth and personal banking, Asia- Pacific unit
China	Mark Yunfeng Wang	HSBC	Head – global banking and markets, China	HSBC	CEO
UK	Shelley Doorey Williams	UBS	Head – wealth planning, UK and Jersey	Sionic	Team head
UK	Eleanor Ingilby	Sanlam UK	Private client management	Sanlam UK	Head - Harrogate office
UK	Stephen Wood	HSBC Private bank and Brown Shipley	Portfolio manager - HNWIs, families and trusts	Sanlam UK	Chartered wealth manager
Singapore	Shane Gong	CPE Capital	Executive director; head - Singapore office	Evercore	MD
UK	Megan Crespi	Ally Financial	сто	Coamerica	Executive VP; chief enterprise technology and operations services officer
USA	Ben Goldstein	Captrust Financial Advisors	COO; head - business operations	Captrust Financial Advisors	President
India	Himanshu Bhagat	IIFL Wealth Management	Managing partner	Julius Baer	Head - wealth management

ROUND-UP

LGIM AUM GROWS TO £1.2TRN IN 2019 **AS NET INFLOWS DOUBLE**



Legal & General Investment Management (LGIM) has reported a growth in its AuM, aided by a significant rise in inflows.

AuM at LGIM reached £1.19trn (\$1.38trn) in 2019, an 18% increase from £1.01trn in 2018. This includes £150.5bn in responsible investment strategies explicitly linked to ESG criteria.

Schroders profit slips even as AuM surges to £500.2bn

UK fund manager Schroders' annual results for 2019 showed a decrease in pre-tax profit, with investors turning their backs on equities.

However, AuM surged, supported by a Scottish Widows mandate and the new Schroders Personal Wealth joint venture.

MATTIOLI WOODS PROCURES PRIVATE **CLIENT ADVISER HURLEY PARTNERS**

Wealth manager Mattioli Woods has snapped up Hurley Partners in a deal worth up to £25.6m (\$33.1m). The acquisition is set to finalise in the second quarter of 2020 and the Hurley Partners management team will be retained.

Founded in 2013, Hurley is a wealth management business that provides bespoke and holistic financial advice to over 300 client family groups. It has offices in London, Surrey and Manchester.

Both firms have specialist pension knowledge and legacy planning expertise, as well as robust discretionary investment management services.

Both Hurley Partners and Mattioli Woods said that they want to maintain a strong commitment to giving back to the wider community.

Finantix snaps up AI and data science firm InCube

Finantix has agreed a deal to acquire InCube, a Swiss AI and data science business for wealth management and insurance.

The Zurich-based company employs a number of AI specialists, quantitative and software engineers, as well as finance experts. These enable data-driven and AI-enabled products for the wealth management and insurance spaces.

Finantix decided on the deal to augment its platform with InCube's AI, robotic and cognitive technologies. Finantix will also gain expertise from InCube's team, and expand Finantix's presence in both the Swiss and wealth management markets. For InCube, the deal broadens market access for its products and solutions.

UK WATCHDOG PROPOSES TOUGHER CLIMATE REPORTING RULES

The UK's Financial Conduct Authority (FCA) has asked premium-listed commercial companies to enhance their disclosures on climate in line with global standards.

Under the proposed rule, firms that refrain from following the guidelines of the Taskforce on Climate-related Financial Disclosure will need to explain their reasons for doing so. The watchdog is planning to extend this rule to a broader range of companies.

Explaining the proposed rule, FCA CEO Andrew Bailey said: "The changes we propose will help to provide the transparency the market needs to be able to assess how well companies are adjusting to the risks of climate change.

"Improved disclosures will support better asset pricing and enable investors to make more informed choices about where to allocate their capital - which will ultimately support the transition to a low-carbon economy."

Public consultation on the proposal is scheduled to complete on 5 June 2020.

Judopay partners with Evarvest to help inclusion

Judopay has partnered with Lithuania-based fintech start-up Evarvest to provide a low-cost way to access global stock markets and deliver a frictionless payment experience for its mobile app investors.

The company will provide Evarvest with tools to create an intuitive checkout experience for its users. Mobile app users will be able to save cards for future use, and have more options to fund investment accounts, including debit cards, Google Pay and Apple

Judopay's support will allow Evarvest to focus on growing its user base and securing trade experience, such as 'Spotify-style' stock playlists, a built-in news feed section, a dedicated educational library and a 'follow your friends' feature.

REFINITIV ACQUIRES US WEALTH TECH PROVIDER SCIVANTAGE



UK financial markets data provider Refinitiv has strengthened its wealth management capabilities with the purchase of US-based software as a service provider Scivantage for an undisclosed sum.

Under the agreement, Refinitiv has integrated Scivantage digital wealth tools that include Wealthsgope and tax information reporting solution Maxit E2E.

The combination is said to have expanded the service offering for Refinitiv's wealth management platforms.

The aim is to offer Refinitiv nextgeneration digital wealth tools in order to facilitate user engagement. ■

BUSINESS PROFILE: SANDAIRE **FAMILY OFFICE**

Family offices pride themselves on growing in parallel with the families they service, and Sandaire Family Office still works with its founding family. Patrick Brusnahan speaks to Charlotte Filsell, head of client relationship management, about the firm and how it has changed alongside its clients



Patrick Brusnahan: Where do you see Sandaire's place in the UK market at the moment?

Charlotte Filsell (CF): We're a family office in the multifamily office space, and we're quite unique in having a founding family. It means that we are the truest form of a family office.

PB: Would you say that it is your USP, and that level of tradition helps you stand out? CF: I think so, yes. The other thing that sets

us apart from some of the more traditional wealth managers is that we often use a use a phrase, 'more than wealth'.

Because we have experience with the founding family, and obviously the other families we work with, we do understand the complexities and challenges of wealth.

The fact is there are many emotional angles to wealth, not just the finances, and we provide help with that as well as professional expertise and obviously investment management guidance. We can provide personal support to families as well.

PB: How often does that come into play? Is it in every interaction?

CF: It's constant. What's important is that we spend a lot of time getting to know our families really, really well.

Part of the reason I chose to move into the family office world is because I wanted to truly get to know my clients, understand their needs and priorities, and truly work with them in a completely aligned and unconflicted way. Every interaction I have with the families that we work with gives

me a greater understanding, not just of their finances, but of them as people, what drives them, what their objectives and needs are. That's constantly evolving, it never stops.

PB: What are wealthy families interested in at the moment?

CF: We are seeing increasing interest in private markets; that's driven by a couple of things. We've had a very long run in public markets and the expectation is return in those markets might moderate.

It's also driven by the next generations being much more involved in investments and wanting to target their investments to social impacts and positive good. Private equities and some private companies have certain ways to do that.

What we've done in response to that is actually increase the resources we have to private equity to build on that, so we can cater to that demand that we're seeing. More broadly, environmental, social and government (ESG) investing is definitely a theme that we are in dialogue with many of our families about.

PB: When did you start noticing impact investing picking up interest?

CF: I would say there's been a steady increase in dialogue for the last two years or 18 months, but it's definitely through 2019. There have been many more specific and targeted conversations around how to actually implement some of those themes.

What's important, I guess, is to notice that in different families, the E, the S or the G might be more important, or it might be that all of those are equally important. It comes back to us knowing our clients and understanding what they are actually trying to achieve and also making sure that they're well educated.

There's lots of jargon. There's still lots of inconsistency in the way people are going about ESG. We're here to support and help navigate through that, so they can make informed decisions.

PB: Is it younger members of the family pushing ESG?

CF: Yes, it's probably fair to say younger members of the family are leading the conversation. I think once that conversation has started, all the family are also involved and on board.

PB: What is Sandaire aiming for over the next five years?

CF: Our plan is to continue to evolve with our families. That's really the purpose behind us. And also really reinforcing our family office services offering.

As our families grow, and evolve and spread around the world, and perhaps sell their businesses and have various family events, their lives become more complex. There's all sorts of associated administration around that.

There's lots of uncharted territory that we need to support the family through, they'll need lots of professional expertise. What we aim to do is help each family have an integrated plan for their wealth and support them to execute on that plan and spend time focusing on the priorities at each stage of the journey.



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9 October 2020 Singapore

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Zurich • 10 December 2020

Verdict is delighted to announce the fifth edition of Private Banking & Wealth Management Switzerland 2020. We are delighted to confirm that we will be returning to Zurich, bringing together the Swiss private banking sector for one day of shared insight and networking.

Drawing on Verdict's analysis and business intelligence, this event offers a unique arena to discover the trends and opportunities driving market growth. The event will feature a daytime conference including targeted sessions, interactive debates and workshops, followed by a black-tie gala awards dinner celebrating the best in private banking and wealth management in Switzerland.



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