

Winning in the high-net-worth segment in US wealth management



The high-net-worth (HNW) segment (\$2M-\$25M in investable assets) in the US has significant wealth pools



\$19T
in investable assets



~\$140B
in revenue pools



+\$1T
in annual flows

While the primary source of wealth for the lower end of HNW segment is salary/business income, clients with more than \$5M in investable assets accumulate notable amount of wealth through one-time events

Salary/business income
 One-time income (inheritance, legal settlement, sale of business, etc.)



The impact of COVID-19 has shifted the product needs of HNW investors

Percentage clients that started/revisited the following services since the crisis began



33% Tax optimization



28% Retirement products



24% Market downside protection



21% Cashflow planning



14% Trust accounts



10% Active portfolio management

We see 8 ways to grow and deepen client relationships in the HNW segment



Engage affluent clients in their early and mid 30s

Clients in the \$5M-\$10M and >\$10M segments start financial advisor relationships at the age of ~35, when they have roughly \$500K. 60% still work with the same advisor they started with



Increase advisor-client communication frequency

~25 percentage-point increase in satisfaction when advisor interacts with the client weekly vs. quarterly; higher satisfaction translates to ~15 percentage-point jump in share of wallet



Tailor your strategy across profiles

HNW segment is highly heterogeneous with differences based on life stages and sources of wealth. Distinct needs and behaviors emerge for clients with more than \$10M in investable assets



Focus on value delivery and transparency

65% of HNW clients are comfortable paying higher fee but expect premium (e.g., white-glove service, faster transactions, access to market research, better returns); value for money is the #1 driver of brand loyalty



Maximize the value of banking through a holistic offering

~50% of +\$5M consumers consolidate banking and wealth relationships, with money market and mortgage accounts being the most common products



Engage strategically to capture liquidity moments

50% clients who accumulated wealth through a legal settlement changed their advisor at that time



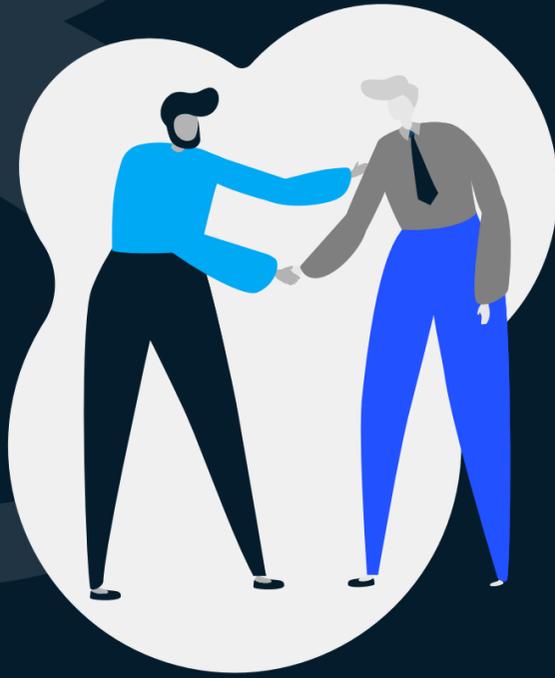
Continue to invest in people and expertise, as few HNW individuals want digital-only service

60% care about qualifications and team of experts and only 6% are comfortable with digital-only model



Aim to be everything to your key target client

40% of investors have only one advisor and these clients consolidate 80% of their wallet at primary firm vs. ~55% for clients with 2 advisors



Do you have the right HNW strategy in place?