

# Meeting of Minds Wealth Management & Private Banking

Thursday 14 November 2024 – The Berkeley Hotel, Wilton Place, London, SW1X 7RL

## Schedule of the Day

<b>Belgravia</b>	0815-0900	<b>Breakfast</b>	<b>Informal networking</b> - Over breakfast and coffee
<b>The Ballroom</b>	0900-0920	<b>Keynote</b>	<b>Welcome</b> - Incorporating the highlights of the Scene Setter research. With <b>James Goad</b> , Managing Director, Owen James
<b>The Ballroom</b>	0920-1000	<b>Keynote</b>	<b>From Trump to Taiwan, Harris to the Houthis - what should and shouldn't you worry about?</b> A 20,000-foot view of global risks with The Economist's Deputy Editor, <b>Robert Guest</b>
<b>Breakout Rooms</b>	1005-1115	<b>Roundtable Session</b>	<i>Please refer below to get a feel for the topics that will be tabled for discussion within the roundtables</i>
<b>Belgravia</b>	1115-1130	<b>Coffee</b>	Grab a refreshment and catch up with your peers
<b>The Ballroom</b>	1135-1205	<b>Keynote</b>	<b>FCA Supervisory Insights and Direction of Travel.</b> With <b>Nick Hulme</b> , Head of Department, Advisers Wealth and Pensions / Consumer Investments, FCA
<b>Breakout Rooms</b>	1210-1320	<b>Roundtable Session</b>	<i>Please refer below to get a feel for the topics that will be tabled for discussion within the roundtables</i>
<b>The Ballroom</b>	1320-1430	<b>Lunch</b>	A seated formal lunch
<b>The Ballroom</b>	1430-1500	<b>Keynote</b>	<b>An Analysis of the New Economic Realities for the Next Generation of Clients.</b> With <b>Dr Eliza Filby</b> , author and historian of generations and contemporary values
<b>Breakout Rooms</b>	1505-1615	<b>Roundtable Session</b>	<i>Please refer below to get a feel for the topics that will be tabled for discussion within the roundtables</i>
<b>The Ballroom</b>	1620-1650	<b>Keynote</b>	<b>How Algorithms are Quietly Shaping our World.</b> A look at the human impact of AI with <b>Madhumita Murgia</b> , author of <i>Code-Dependent</i>
<b>Belgravia</b>	1650-1800	<b>Farewell and Fizz</b>	We thank you for joining us over a glass of bubbly.

**WEALTH MANAGEMENT AND  
PRIVATE BANKING A MEETING OF MINDS**

**ROUNDTABLE THEMES**

Thursday 14 November 2024, The Berkeley Hotel, London

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**ROUNDTABLE THEMES TABLED FOR DISCUSSION**

**ECONOMICS & GEOPOLITICS:**

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## **1. Assessing the uncertain global landscape**

As the global landscape gets increasingly more complex, a new world order has emerged in which the Western bloc led by the US and EU, and the Eastern led by China, are now competing with each other.

Meanwhile unaligned nations like India, Indonesia, Brazil, and Mexico are becoming pivotal players, leveraging their human capital and natural resources to attract foreign investment and improve economic standings amidst the East-West competition.

This roundtable will delve into the profound implications of these shifts on global trade, investment flows, and the future of capitalism, including:

- The impacts of deglobalization and strategies for mitigating supply chain disruptions
- Monitoring potential geopolitical flashpoints, including the Middle East, Taiwan and Sudan
- The potential ramifications should Trump be re-elected

## **2. The implications of the UK election result on pensions, inheritance and allowances**

We have already seen the winter fuel payment and the proposed cap on care costs removed, so what can we expect next?

Two key roles for a retirement wealth manager are those of tax adviser and estate planner, and understanding all the different nuances of a sophisticated tax regime are key. This session will ask:

- How far do could the new government and what can be done to prepare?

## **PRODUCTIVITY & PEOPLE:**

### **3. The need to balance AI-assisted processes alongside human judgement**

While many firms are still dealing with traditional data sets, more and more firms are using AI to extract insights from unstructured client data, providing personalised portfolio allocations and enhancing client experiences.

This discussion will cover how AI can boost productivity, streamline operations, and improve client engagement while addressing concerns about its impact on the workforce, including:

- Implementing AI solutions in a way that supports wealth managers rather than replacing them, ensuring that human expertise remains central to client relationships
- Delivering high-quality, personalized services while addressing concerns about data privacy and security

### **4. How to identify and measure productivity improvements**

It is essential to measure productivity in order to foster a culture of continuous improvement when enhancing work processes.

This session will examine the difficulties faced by firms in accurately measuring productivity due to the lack of specific metrics or tracking systems, and how to implement these, including:

- The importance of consistent productivity metrics and the role of dashboards and data-driven decision-making in building trust within the organisation
- The importance of change management and creating a culture that supports productivity improvements and continuous learning

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*Expert: SEI*

## **5. Overcoming talent challenges by making the profession more attractive**

Attracting and developing new talent to sustain growth is going to be essential for future-proofing the wealth management sector.

This session will discuss the importance of responding to fresh ideas and innovative thinking in order to inspire the next generation, including:

- The significance of transferable skills and the need for a balance between technical expertise and interpersonal abilities
- The importance of visible role models and effective leadership in promoting an inclusive culture
- Partnering with universities for tailored programmes and establishing mentorship programmes

## **GROWTH & INNOVATION:**

### **6. The changing pace of M&A activity**

Concerns around inflation, higher borrowing costs, lower valuations, geopolitics and recession have led to a slowdown in mergers and acquisitions over the past year, but the wealth management sector remains robust, due to underlying factors including aging populations, rising wealth levels, increased demand for sophisticated investment advice, regulatory pressures, and the need for cost efficiency.

This session will discuss some of the other factors that are contributing to the change of pace, including:

- The gap between buyer and seller expectations, with valuations having decreased from the covid boom, leading to prolonged negotiations
- Increased buyer caution and harder negotiations, resulting in longer deal processes
- The potential impact of big tech companies entering the wealth management space

*Expert: Solve*

### **7. Expanding the client base with innovative thinking**

Appealing to new clients in order to foster sustainable growth requires a forward-thinking approach focused on inclusivity, innovation, and the strategic use of technology.

This session will discuss adapting to changing consumer expectations as well as appealing to different socioeconomic backgrounds and generations beyond the traditional reach of wealth management, through the following:

- Creating an inclusive 'in-group' of clients, emphasizing commonalities rather than differences
- Building a stronger brand identity to foster a sense of belonging, as well as appealing to a wider range of clients
- Aligning the product and service offering with an expanded client base

*Expert: Multrees*

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## **8. Behavioural coaching: improving client outcomes**

Investing is an emotionally charged effort that challenges people to contend with uncertainty and doubt. Behavioural coaching is likely the single most important service advisers can provide to their clients and one of the most impactful drivers of practice outcomes as it strengthens trust between advisers and their clients.

This session will highlight:

- How embracing the behavioural coaching principles of planning, proactivity, and positivity sets the stage for advisers to deliver effective coaching when the opportunity presents itself in the moments that matter
- Vanguard's 3A Framework: Assess, Address, Audit which provides a comprehensive yet easy-to-follow sequence for addressing client concerns "in the moment", taking appropriate action, and building trust

*Expert: Vanguard*

## **9. The broadening scope of lending products for HNW clients**

Already a mature product in the US markets, Securities Based Lending (SBL) is now gaining significant traction in the UK market.

- Historical challenges in offering Lombard Lending
- The latest trends, structures, risk management practices associated with these lending facilities
- How these services are evolving to meet the needs of HNW clients and how they fit within the broader landscape of HNW lending products

## **10. Closing the reality gap in wealth management client onboarding**

Wealth management firms are looking for ways to offer an onboarding experience that improves client satisfaction and the cost efficiency of the process at the same time. This session will explore the importance of:

- Avoiding the common pitfalls of over-simplified onboarding processes these days
- Creating a flexible onboarding experience that utilizes both online and offline channels and provides assistance at the right points during the journey; as well as
- Tailoring the onboarding process to ensure that investment solutions align with each client's specific goals, risk tolerance, and financial situation

*Expert: Dorsum*

## **REGULATORY MATTERS:**

### **11. The evolving pricing models in a post-Consumer Duty landscape**

The landscape of pricing in wealth management is evolving, driven in large part by regulatory changes, client needs and market pressures.

Following the introduction of the Consumer Duty, pricing needs to better align with client needs and ensure only necessary services are paid for.

This session will discuss the current pricing trends and challenges, including balancing profitability with serving diverse client segments, the impact of this on the advice gap, as well as the innovative pricing models, including:

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- Performance-based fees: Aligning fees with investment success
- Hourly rates: Charging based on the time spent providing services
- Separation of planning and advice fees: Differentiating between financial planning and investment advice fees
- Modular pricing: Allowing clients to select and pay for specific services

## **12. The impact of the UK's non-dom regime changes**

The recent changes to the UK's non-dom tax regime will have a significant impact on the wealth management industry.

This session will analyse the economic and political factors driving non-doms to leave the UK, as well as explore the challenges and opportunities this trend presents, in order to:

- Develop strategies to retain non-dom clients through bespoke services and dual residency arrangements
- Adapt practices to enhance client relationships and navigate the evolving landscape of international wealth management

## **13. SDR and its impact on wealth managers and private banks**

As regulatory bodies worldwide emphasize transparency in sustainable investments, understanding the nuances of SDR is crucial for achieving an advance in sustainable investing.

But firms currently struggle to get good information for decision making, while chasing a limited pool of “responsible” assets is pushing up prices and limiting performance.

This session will discuss the implications of SDR on these challenges, as well as compliance, operational adjustments and strategic opportunities, covering:

- The practical aspects of implementing new reporting standards and documentation
- Meeting SDR requirements while differentiating and maintaining competitive advantage

## **PHILANTHROPY:**

### **14. Making the case for philanthropy and impact investment in wealth management**

With growing client demand for values-driven investment, particularly among next-gen high-net-worth individuals (HNWIs), the opportunity for wealth managers to align with these interests is greater than ever. However, current engagement in philanthropy remains low, and the sector must evolve to meet the changing expectations of clients.

This roundtable discussion will explore:

- Case-studies with firms that have unlocked significant business potential by integrating philanthropy and impact investment into their service offerings
- The key obstacles to philanthropy include personal, political, structural, and financial barriers
- How wealth advisers need better tools and education to address these

## **INVESTMENT THEMES:**

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## **15. Navigating the Private Markets landscape: Enhancing wealth managers' expertise and asset allocation strategies**

As the demand for increased private market exposure continues to rise, wealth managers are increasingly turning to private investments to generate growth opportunities and enhance performance returns for their clients.

However, bridging the gap between wealth institutions seeking returns and general partners (GPs) looking to access capital presents a challenge.

This session will explore how to navigate the private markets landscape through the following:

- Enhancing wealth managers' expertise and asset allocation strategies
- The key hurdles wealth managers face when integrating private market investments into client portfolios
- The growing interest in private credit and how wealth managers can gain access to the attractive returns offered by private credit funds

*Expert: Mercer*

## **16. Accessing private markets with liquidity**

The UK's investment trust sector is just one part of a global opportunity set of such listed investment companies. The zero-interest-rate environment combined with rising appetite for private market strategies prompted substantial issuance in this space over the last decade, across private equity, credit, infrastructure and real estate, often with a focus on yield.

At Lazard, we refer to such companies, collectively, as "Listed Private Markets". Recent years have seen diverse performance across this universe, with many such listed vehicles in the UK in particular suffering a de-rating.

This session will explore this theme, and how investors can benefit from it, including:

- The global opportunity set of "listed private market" opportunities
- Key differences between traditional and private market investment companies
- Opportunities and risks from the current starting point
- How investors can capture private market exposure with the benefit of liquidity

*Expert: Lazard*