

Does your wealth manager measure up?

PERSPECTIVES FROM CFA INSTITUTE RESEARCH
ON HIGH-NET-WORTH INVESTORS



CFA Institute
LET'S MEASURE UP™

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YOU'VE WORKED HARD TO GROW YOUR WEALTH. BUT THIS IS JUST THE BEGINNING.

Markets continue to fluctuate. Technology continues to disrupt. The ambitions you have for your wealth never waver, but your wealth management needs change with the dynamic world we live in.

At CFA Institute, we listen to investors to be sure we're preparing CFA CHARTERHOLDERS to measure up to your wealth management needs. We surveyed 900 investors with at least \$1 million in investable assets to figure out how we can help you harness your wealth to pursue the ambitions that drive you forward.

TIME IS MONEY, SO EXPERTISE IS VALUABLE CURRENCY.

Our most valuable asset is time. Many people are experts in something, but no one has the time to be an expert in everything. Given the incredible depth and breadth of knowledge required to build expertise in wealth management, it's no surprise that survey respondents list investment expertise as the most important trait they seek in a wealth manager.

High-net-worth investors face unique wealth management challenges, from nuanced tax planning and strategy to safeguarding the interests of future generations. With the right private wealth manager, wealthy investors know there can be simple, elegant solutions to even the most complex wealth management challenges. It takes an adviser with the right expertise and savviness to turn that financial complexity into clarity.

HIGH-NET-WORTH INVESTORS' DESIRED WEALTH MANAGER QUALITIES

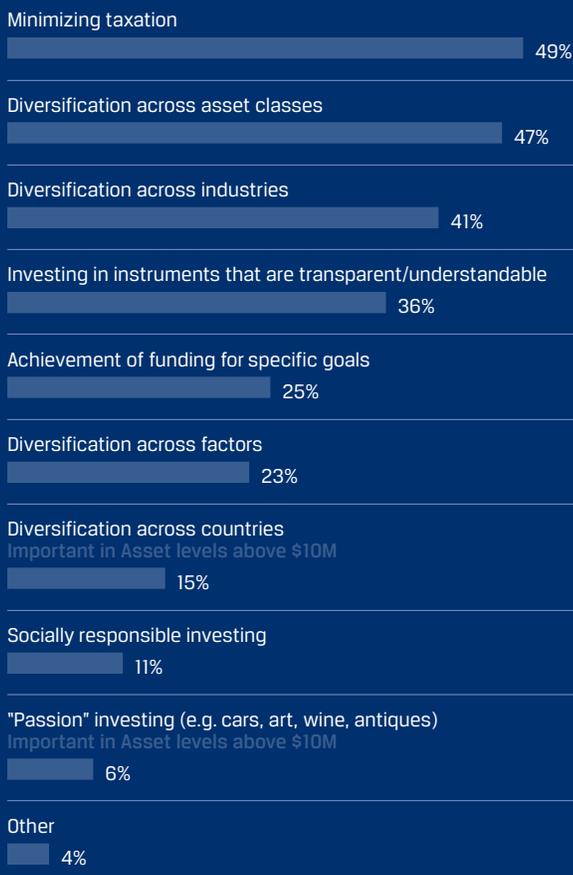


IN PURSUIT OF HOLISTIC PERFORMANCE.

No two people are the same. We all have different ambitions, goals, and dreams, so each investor has different wealth management demands — and a private wealth manager must be equipped with the skillset to meet them. High-net-worth investors expect holistic wealth management service; this is particularly true for younger high-net-worth investors (age 25-39), who are over twice as likely as their older counterparts to seek a holistic approach to wealth management.

But, "holistic" doesn't mean "generalist": the unique complexities of wealthy individuals often require bringing in the right specialists at the right time, and a sophisticated wealth manager ought to reflect these specialist views as they create and execute a robust investment strategy. No matter how complex the portfolio or nuanced the investment strategy, these investors demand that their wealth managers measure up to the ambitions they have for their wealth.

TOP INVESTMENT PRIORITIES OF HIGH-NET-WORTH INVESTORS



TRADITIONAL ASSETS AS RELEVANT AS EVER.

From cryptocurrencies to Silicon Valley's newest venture capital darling, new types of investment opportunities are everywhere. Though these newer investment vehicles are bold and buzzworthy, the CFA Institute survey reveals high-net-worth investors aren't yet sold, with the majority of respondents leaving cryptocurrencies completely out of future asset allocation plans. Rather, traditional assets remain the bedrock of the high-net-worth portfolio: a plurality (23%) still plan to invest more in stocks over the next five years, reflecting continued faith in public equities as a foundation of portfolios, particularly among investors age 25-49. Investors over age 50 were even more sour about the idea of putting money into unconventional vehicles in the next five years.

The story is the same for Environmental, Social, and Governance (ESG) investment vehicles. Despite the increasing popularity of incorporating ESG factors into investment analysis, such factors are not a "top priority" for high-net-worth investors, with only 11% of wealthy investors listing it as such.

TECHNOLOGY IS ENHANCING, NOT REPLACING.

For all the buzz about robo-advisers, high-net-worth investors don't want to lose their human advisers. Three quarters of high-net-worth investors surveyed said they prefer working with a human adviser for at least some of their wealth management services.

Rather than a replacement to human advisers, investors instead see technology as an enhancement to existing wealth management efforts. Interestingly, investors with \$10 million in investable assets indicate particular interest in integrating technology compared to the rest of their high-net-worth counterparts.

A third of those investors prefer their adviser to integrate technology into their service, citing a desire to use technology to keep up with their wealth manager about their positions and performance. Younger investors (age 25-39) indicate an interest in "what if" analyses of their holdings and track progress towards their financial goals; they're twice as likely as older investors to demonstrate interest in this technology.

WHEREVER YOU ARE IN LIFE, YOU HAVE AN AMBITION FOR YOUR WEALTH.

What are your primary goals as you look to maintain and/or build your wealth?

50% of high-net-worth investors aged 40-49 said

Early retirement

as compared to survey average of 38%

28% of high-net-worth investors aged 25-39 said

New business opportunities/ acquiring companies

as compared to survey average of 7%

OUR TAKE:

One size definitely doesn't fit all. It's essential that your wealth manager have the breadth and depth of skills to align with your specific life goals and objectives, whatever they may be. Initial exploratory conversations with wealth managers should involve matching your goals against their capabilities.

A CFA CHARTERHOLDER MEASURES UP TO THE EXPERTISE YOU NEED.

You've worked hard to grow your wealth. Make sure you're working with a wealth manager who grows with you.

Armed with a deep foundation of knowledge about capital markets, investing, and wealth management from mastery of the CFA curriculum, CFA charterholders are ready to unlock wealth management opportunities that others might miss. By virtue of completing the CFA Program, CFA charterholders have already proven they can succeed where few do. They stand ready to apply that same commitment towards your goals.

Not all wealth managers are up to the task. Does yours measure up?

Ask a CFA® CHARTERHOLDER about growing your wealth today →

Learn more about CFA CHARTERHOLDERS at therightquestion.org

Some information may only be available in English.