



CFA Institute

*THE VALUE OF*  
*PREMIUM*  
*WEALTH*  
*MANAGEMENT*

The definition of value in the adviser-client relationship is changing. To find out how, CFA Institute and Scorpio Partnership, reached out to CFA charterholders, wealth advisers without the CFA designation, and wealthy individuals to hear their views. This is what we learned.

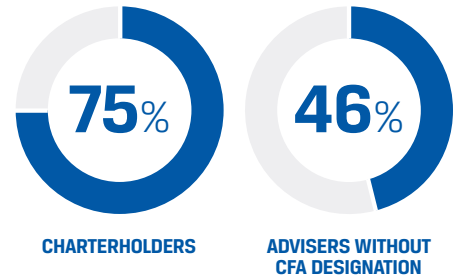


2

**QUALITY ADVISERS SHOULD VIEW TECHNOLOGY AS A FRIEND, NOT A FOE**

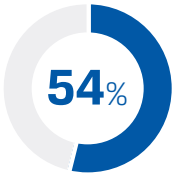
70% of millennial investors believe the core function of wealth management lies in the strength and breadth of the digital offering made available to clients.

**WHO IS ACTIVELY PREPARING FOR THE RISING IMPORTANCE OF DIGITAL ACCESS FOR CLIENTS?**

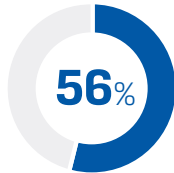


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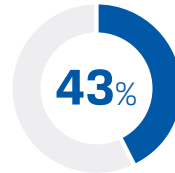
**INVESTMENT STRATEGY EXPERTISE IS PARAMOUNT**



Portfolio management expertise is cited most often (54%) by investors as a requirement for effective wealth advice.



56% of investors surveyed expect asset allocation to be most important in the next five years.



43% of investors claim sustainable investing expertise is required.

3

**BEST-IN-CLASS ADVISERS BALANCE TECHNIQUE WITH EMOTIONAL INTELLIGENCE**

60% of CFA charterholders anticipate that behavioral finance—understanding the cognitive biases that impact investor decisions—will become more important for advisers in the next 5 years, compared to just 35% of other advisers in the field.

4

**WHAT ARE THE MOST ESSENTIAL ATTRIBUTES FOR A SUCCESSFUL WEALTH ADVISER? INVESTORS AND CFA CHARTERHOLDERS AGREE.**

**CFA CHARTERHOLDERS**



**WEALTHY INDIVIDUALS**



5

**GOALS-BASED APPROACH AND EFFECTIVE PROFILING MOST IMPORTANT**

Alignment of investment personality/profile to financial goals most often cited as reason for retaining wealth adviser.



1

**PREPARE FOR THE WEALTH SHIFTS THAT ARE UNDERWAY**

Just **14%** of advisers' current client base are under the age of 35. While **61%** of Baby Boomers believe that access to skilled professionals is central to wealth management, just **30%** of millennials agree.



**5 WAYS TO BECOME A PREMIUM WEALTH ADVISER OF THE FUTURE**



2

**SPEAK UP FOR THE VALUE AND PROFESSIONALISM THAT YOU BRING TO THE CLIENT RELATIONSHIP**

One in four wealthy individuals do not currently take wealth management advice. Why? **40%** say the cost is too expensive and **32%** believe advisers do not act in their best interests.

3

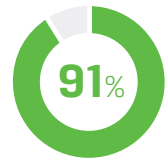
**USE YOUR EXPERTISE TO WIN NEW BUSINESS**



**90%** of millennial investors will ascribe greater significance to an adviser's designation in the years to come. Make sure you can articulate what yours stands for.



**96%** of CFA charterholders believe the qualification has broadened their expertise around private client investments.

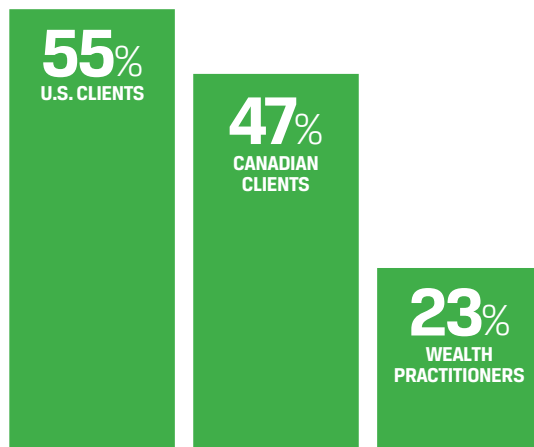


**91%** of CFA charterholders say that the qualification has added value to the advice and recommendations that they can provide.

4

**RECOGNIZE THAT CLIENT ENGAGEMENT WILL BECOME A KEY PERFORMANCE METRIC FOR YOUR WEALTH MANAGEMENT BUSINESSES**

**55%** of U.S. and **47%** of Canadian clients say greater proactivity in investment recommendations will become more important in the future but just **23%** of wealth practitioners have anticipated this change.



5

**ARTICULATE THE FULL SPECTRUM OF SERVICES YOU OFFER**

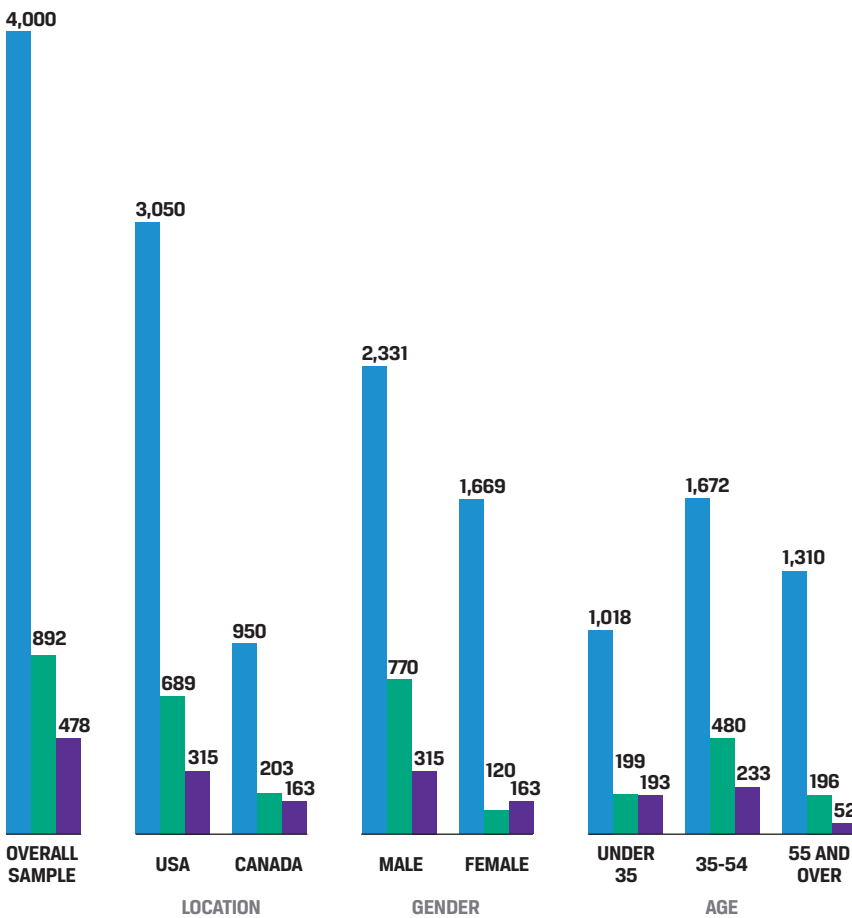
Clients can misunderstand industry jargon. Almost two-thirds of wealthy individuals believe the term financial planning is synonymous with the broader practice of wealth management, rather than the production of a financial plan.

## METHODOLOGY

The survey comprised of both quantitative and qualitative sections. 1,370 wealth advisers (892 of which were CFA charterholders) and 4,000 wealthy individuals in the U.S. and Canada answered a 15-minute online survey during the quantitative phase. The median net worth of this sample was US\$2 million across the client respondent sample and the mean net worth was US\$7 million. This was supplemented by 15 in-depth interviews.

### NUMBER OF RESPONDEES

- WEALTHY INDIVIDUALS
- CFA PRACTITIONERS
- OTHER WEALTH PRACTITIONERS



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