

# 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>Launch of the Advisers &amp; Intermediaries Portfolio Strategy / Future Regulation.</b> With Nick Hulme, 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

**Contents**

**ECONOMICS & GEOPOLITICS:..... 2**

- 1. The economic implications of a more fragmented world..... 2
- 2. Examining Labour’s defence against the Age of Insecurity..... 2
- 3. The implications of the UK election result on pensions, inheritance and allowances ..... 2
- 4. Assessing the uncertain global landscape if we get Trump again..... 2

**PRODUCTIVITY & PEOPLE:..... 3**

- 5. The need to balance AI-assisted processes alongside human judgement ..... 3
- 6. How to identify and measure productivity improvements ..... 3
- 7. Overcoming talent challenges by making the profession more attractive ..... 3

**GROWTH & INNOVATION:..... 3**

- 8. The changing pace of M&A activity..... 3
- 9. Expanding the client base with innovative thinking..... 4
- 10. The evolving pricing models in a post-Consumer Duty landscape ..... 4

**CLIENT CONCERNS: ..... 4**

- 11. Behavioural coaching: improving client outcomes ..... 4
- 12. Aligning value with cost to serve for expanding client segments ..... 5
- 13. Improving quality, reducing costs, and enhancing the overall effectiveness of data..... 5
- 14. The broadening scope of lending products for HNW clients..... 5
- 15. Closing the reality gap in wealth management client onboarding..... 6

**REGULATORY MATTERS: ..... 6**

- 16. The impact of the UK's non-dom regime changes..... 6
- 17. Navigating financial crime risks in the time of Consumer Duty ..... 6

**SUSTAINABILITY:..... 6**

- 18. Are we seeing an ESG renaissance?..... 6
- 19. SDR and its impact on wealth managers and private banks ..... 7

**INVESTMENT THEMES: ..... 7**

- 20. Building sustainable private market investment solutions for wealth management clients..... 7
- 21. Fine-tuning investment strategies through the identification of biases and value traps..... 7

*This document is the copyright of Owen James. If you would like to input your ideas into this document, we would love to hear from you. Do call us on 01483 862 691 or email [rebeccaleitch@owenjamesgroup.com](mailto:rebeccaleitch@owenjamesgroup.com).*

22. The evolving landscape of global equities.....	8
23. The opportunities and pitfalls in high-yield bond investing.....	8
24. The uncharted territory of fixed income investing.....	8

## ROUNDTABLE THEMES TABLED FOR DISCUSSION

### ECONOMICS & GEOPOLITICS:

#### 1. The economic implications of a more fragmented world

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 Taiwan and the Middle East

#### 2. Examining Labour's defence against the Age of Insecurity

Rachel Reeves' 'securonomics' approach is to 'build industries that guarantee Britain's economic security, and bring together an active state in partnership with a vibrant market'.

This session will discuss what Britain's new role as a trading nation will mean for the investment landscape, as well as:

- Labour's likely revival of private finance models to fund infrastructure and industrial strategy
- Evaluating the risks associated with potential radical policy shifts, erosion of investment safeguards, and the resurgence of hard-left factions

#### 3. 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?

#### 4. Assessing the uncertain global landscape if we get Trump again

While the US is mostly focused on the domestic agenda of ITS election, its foreign policy is on everyone else's mind, given the potential ramifications should Trump be re-elected.

With a more unstable world than when he was last US President, in which Russia, China, Iran and North Korea are working more closely together, the session will discuss:

*This document is the copyright of Owen James. If you would like to input your ideas into this document, we would love to hear from you. Do call us on 01483 862 691 or email [rebeccaleitch@owenjamesgroup.com](mailto:rebeccaleitch@owenjamesgroup.com).*

- The impact of Trump's foreign policy decisions on global security and market dynamics
- The new era of multilateral partnerships

## **PRODUCTIVITY & PEOPLE:**

### **5. 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

### **6. 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

*Expert: SEI*

### **7. 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:**

### **8. 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

*This document is the copyright of Owen James. If you would like to input your ideas into this document, we would love to hear from you. Do call us on 01483 862 691 or email [rebeccaleitch@owenjamesgroup.com](mailto:rebeccaleitch@owenjamesgroup.com).*

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

## **9. 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*

## **10. 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:

- 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

## **CLIENT CONCERNS:**

### **11. 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 document is the copyright of Owen James. If you would like to input your ideas into this document, we would love to hear from you. Do call us on 01483 862 691 or email [rebeccaleitch@owenjamesgroup.com](mailto:rebeccaleitch@owenjamesgroup.com).*

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*

## **12. Aligning value with cost to serve for expanding client segments**

The rise of new and complex asset classes, the increasing importance of ethical and sustainable investing, and the need for digital accessibility and client engagement are key industry challenges.

Add to this the changing expectations from serving various client segments, there is a critical need to align pricing structures with the value provided.

This roundtable will discuss:

- The necessity for wealth managers to stay agile and responsive to industry trends
- Leveraging technology and collaboration to meet evolving client needs and regulatory demands

## **13. Improving quality, reducing costs, and enhancing the overall effectiveness of data**

According to Gartner, organisations lose an average of \$12.9 million annually due to poor data quality. With such high costs for historical data and the substantial investment required to meet the standard and the complex process of integration, especially for firms with legacy systems, this session will discuss the challenges involved in acquiring validated sources of high-quality data, as well as:

- The importance of having a robust control framework for managing data sources
- The difficulties in ensuring data quality, particularly when dealing with multiple vendors and complex data distribution conditions
- The potential benefits of adopting data standards like ISO 20022

## **14. 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

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

Wealth management firms are transitioning to digital onboarding processes to meet client expectations for a seamless and efficient experience.

This session will explore this transformation with a focus on improving the client journey, ensuring suitability, and effectively communicating new processes to clients, as well as:

- The importance of 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:**

### **16. 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

### **17. Navigating financial crime risks in the time of Consumer Duty**

With the first year of the Consumer Duty out of the way this session will discuss how wealth managers are meeting the heightened expectations, while simultaneously managing the risks associated with financial crime, including money laundering, fraud, and other illicit activities.

It will also explore:

- The implications for wealth managers, particularly the expectations around acting in clients' best interests, clear communication, and ensuring that products and services deliver fair value
- The practical steps wealth managers must take to comply with these new obligations, including revising policies, training staff, and enhancing client engagement

## **SUSTAINABILITY:**

### **18. Are we seeing an ESG renaissance?**

As interest in and performance of traditional ESG strategies have both fallen in recent years, we've seen higher demand for more personalised approaches to investing. Will evolving technology, better education, and shifting social attitudes fuel an ESG renaissance?

To anticipate future regulatory trends and prepare for continuous, effective compliance, this session will discuss the new trends as well as the rapidly evolving sustainability landscape for energy, agriculture, manufacturing and finance, including:

- Renewable energy adoption and advancements including circular economy practices and waste reduction
- Sustainable supply chain management
- Green finance and investment strategies

*This document is the copyright of Owen James. If you would like to input your ideas into this document, we would love to hear from you. Do call us on 01483 862 691 or email [rebeccaleitch@owenjamesgroup.com](mailto:rebeccaleitch@owenjamesgroup.com).*

- Corporate social responsibility (CSR) and ESG reporting
- Balancing ESG principles with client-specific interests
- The KPIs needed for effective ESG monitoring
- The FCA's anti-greenwashing rule and compliance requirements

## **19. 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

### **INVESTMENT THEMES:**

## **20. Building sustainable private market investment solutions for wealth management clients**

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*

## **21. Fine-tuning investment strategies through the identification of biases and value traps**

Refining forecasting and decision-making processes by analysing historical data, identifying biases and leveraging new tools will improve accuracy and consistency and ultimately lead to better market outcomes.

This session will examine the art of iterative improvement with a holistic approach to reviewing investment decisions, focusing on long-term outcomes and avoiding value traps, through the following:

- The tools which provide warning flags for potential biases as well as screen for investment opportunities not yet fully integrated into portfolio construction

*This document is the copyright of Owen James. If you would like to input your ideas into this document, we would love to hear from you. Do call us on 01483 862 691 or email [rebeccaleitch@owenjamesgroup.com](mailto:rebeccaleitch@owenjamesgroup.com).*



## **22. The evolving landscape of global equities**

With the impact of rapid industry changes, inflationary pressures, passive investing flows, alongside the waning influence of powerful deflationary forces, we are seeing an increasing dominance of US equities and the growing profitability of the largest tech stocks compared to smaller caps.

This session will discuss how the unique challenges this new reality presents, with markets becoming increasingly focused on short-term gains, as well as:

- The impact of passive investing headwinds and the potential opportunities in quality stocks
- How to adapt to market dynamics by staying agile

## **23. The opportunities and pitfalls in high-yield bond investing**

The defensive 'breakeven' characteristics of high-yield bonds make them compelling in the current environment, and historical data shows they have delivered equity-like returns with much lower volatility over the long term.

But with the tight spreads and increasing idiosyncratic risks in lower-quality credit, the need to focus on higher-quality issues that can still provide reasonable income is becoming more necessary.

This session will discuss strategies for duration positioning given the uncertainty around interest rates, and the preference for maintaining short-duration exposure to manage risk, including:

- Maintaining a short-duration positioning can help manage interest rate risks
- Focusing on higher-quality issues can provide a reasonable income while avoiding the pitfalls associated with lower-quality credit
- Embracing active management with a benchmark-agnostic approach to capitalize on market inefficiencies
- Using a rigorous bottom-up selection process is crucial in identifying value and avoiding risks in the high-yield bond market

## **24. The uncharted territory of fixed income investing**

The fixed income market, traditionally a cornerstone of diversified investment portfolios, offering stability and income generation is now a much more complex economic environment to navigate.

This session will discuss the effects of inflation on fixed income portfolios, with strategies to preserve purchasing power, as well as the tools needed to navigate an evolving landscape through:

- The technological advancements transforming fixed income trading and analysis