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SEI Study: Grasp of Complete Financial Picture Critical to Wealth Managers Retaining High-Net-Worth Clients

Futurewealth Report Reveals Two-Thirds of High-Net-Worth Investors Believe Their Wealth Manager Understands Their Financial Goals

OAKS, PA -- (Marketwired) -- 05/08/14 -- the world's up-and-coming wealthy, customer focus is the number one factor in their ongoing relationship with their wealth manager, and, generally, wealth managers are meeting clients' fundamental expectations. A global study released today by [SEI](#) (NASDAQ: SEIC), Scorpio Partnership, and NPG Wealth Management finds that 64 percent of high-net-worth individuals report their main money manager has a good knowledge of their core financial needs. The study, "[The Futurewealth Report 2014: Enhancing the Customer Curriculum](#)," surveyed 3,025 respondents globally with an average net worth of \$2.9 million. Examining what these high-net-worth individuals value during their ongoing relationship with a financial firm, the study delves into the factors that contribute to customer loyalty and examines whether this group of investors feels as though their wealth manager truly understands their financial goals.

"With this phase of research, we've examined what it takes to keep high-net-worth clients engaged and happy with their wealth managers. While we've found that investors are split as to why they remain with their firm, we've also found that this group is comprised of voracious financial learners," said [Alfred P. West, Jr.](#), Chairman and Chief Executive Officer of SEI. "They want to regularly interact with their wealth managers, be it through ongoing communications, strong research, or engaging dialogue, and they expect wealth managers to do the same, by learning about their needs and tailoring services accordingly."

Satisfaction with their wealth managers is even more prevalent in the Americas, where nearly 8 in 10 high-net-worth investors believe their wealth manager understands their financial needs -- whether in reference to wealth objectives (80 percent), total financial picture (78 percent), product and service preferences (79 percent), or attitude to risk (79 percent). However, the research also found that satisfaction wanes as wealth grows. Individuals higher on the wealth curve are generally less satisfied with their primary wealth manager, with the wealthiest Futurewealthy (more than \$4 million in net worth) having rated their money manager 16 marks lower than those with less than \$500,000 in regard to providing customer-focused service.

Similarly, client segmentation plays a role in the Futurewealthy's motivations for maintaining partnerships with their current wealth managers. Among the wealthiest Futurewealthy, no more than 13 percent report staying with their provider for any one motive, and top reasons were split between having the solutions and services to meet financial needs (13 percent); good portfolio performance (12 percent); and good advice, company reputation, and company strength/stability, each with 11 percent. By contrast, at the lower end of the wealth curve (less than \$500,000 in net worth), portfolio performance is the predominate factor for continuing the relationship.

"Through our Futurewealth research, it's becoming increasingly clear that investors at various stages in their lifecycles and levels of wealth are looking for different types of relationships with their current wealth managers," said [Ryan Hicke](#), Senior Vice President, [SEI Wealth Platform\(SM\)](#). "While this knowledge provides wealth managers with an opportunity to broaden their client base through a diversified offering, it also creates a challenge. In order for wealth managers to increase the time spent learning about and interacting with clients, they must find a way to streamline transactions and add efficiencies to other areas of their business."

The report, which also examined how these relationship motivators translate to relationship longevity, found that the Futurewealthy have partnered with their main wealth manager for an average of 14 years and currently have 51 percent of their assets with their primary manager. Despite reporting they would not consolidate more than 53 percent of their total assets to a single provider, a pattern of larger consolidation over time emerged. The study found that by the age of 60, the proportion of wealth managed by the primary manager rose to 65 percent.

"Many factors play a role in why high-net-worth investors both choose an advisor and stay with their advisor," said [Kevin Crowe](#), Head of Solutions, [SEI Advisor Network](#). "However, across the board, the advisors we work with have found that building a long-term relationship with this unique group of investors involves learning about who the Futurewealthy are and being able to tailor that perspective and advice accordingly as investors' lives and financial goals evolve. No doubt, the most successful advisors realize that the relationship with their clients extends beyond a series of transactions and by adding value in multiple and meaningful ways."

This paper is the third in a four-part series delving into the findings of the Futurewealth Project, which maps the journey of the world's up-and-coming wealthy with their wealth manager. The first paper examined the search for a new financial provider and the qualities impacting the decision-making process. The second paper studied the factors that matter to high-net-worth individuals when making a transaction with a firm and the role of digital technology. The remaining report will focus on what it takes for the Futurewealthy to recommend their provider. For more information, please visit <https://www.seic.com/enUS/about/13892.htm?cmpid=pb-fw3prus-14>.

About the SEI Wealth Platform(SM)

The SEI Wealth Platform (the Platform) is an outsourcing solution for wealth managers encompassing wealth processing services and wealth management programs, combined with business process expertise. With the Platform, SEI provides wealth management organizations with the infrastructure, operations, and administrative support necessary to capitalize on their strategic objectives in a constantly shifting market. The SEI Wealth Platform supports trading and transactions on 110 stock exchanges in 47 countries and 33

currencies, through the use of straight-through processing and a single operating infrastructure environment. For more information, visit: www.seic.com/seiwealthplatform.

About SEI

SEI (NASDAQ: SEIC) is a leading global provider of investment processing, investment management, and investment operations solutions that help corporations, financial institutions, financial advisors, and ultra-high-net-worth families create and manage wealth. As of March 31, 2014, through its subsidiaries and partnerships in which the company has a significant interest, SEI manages or administers \$582 billion in mutual fund and pooled or separately managed assets, including \$239 billion in assets under management and \$343 billion in client assets under administration. For more information, visit www.seic.com.

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