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SEI Study: Emerging Wealthy Are Raising Investment Knowledge Threshold

Futurewealth Report Uncovers New Demand for Wealth Managers to Serve as Investment Navigators

OAKS, PA -- (Marketwired) -- 03/31/15 -- In the era of the 24-hour news cycle, the world's emerging high-net-worth investors are raising the investment knowledge threshold and want their wealth managers to provide them with more guidance and information to help in making informed investment decisions, according to a global study released today by [SEI](#) (NASDAQ: SEIC), Scorpio Partnership, and NPG Wealth Management. The study, "The Art and Science of Relationship Management," uncovered an opportunity for today's wealth managers to serve as investment navigators, using knowledge as a competitive advantage. The 3,113 respondents polled for the survey have an average net worth today of \$2.7 million and represent the up-and-coming demographic that will make up the ultra-high-net-worth investors of tomorrow.

Examining what these individuals -- the Futurewealthy -- value during their ongoing relationship with a financial firm, the study dives into the information, guidance, and tools a financial relationship manager can bring and examines whether this group of investors feels as though their wealth manager actually understands their investment needs.

"It is becoming increasingly clear that up-and-coming high-net-worth individuals are looking for more comprehensive information and guidance as they create their financial strategies alongside their wealth managers," said [Al Chiaradonna](#), Senior Vice President, [SEI Wealth Platform\(SM\)](#), North America Private Banking. "This research supports our belief that wealth managers have a growing opportunity to differentiate themselves by broadening their offerings to address the changing demands of the global investor community. Wealth managers who can fill strategic, functional roles, while guiding and educating investors, have a great opportunity to win over this demographic. In order to act as investment navigators, they need streamlined, efficient wealth management solutions that allow them to educate and advise their clients holistically."

Globally, nearly half of the world's up-and-coming wealthy believe they do not have access to the guidance and information needed to make informed investment decisions (43 and 42 percent, respectively). In the U.S., more than one-third of high-net-worth investors (35 percent) mimic this sentiment of guidance, and 1 in 3 (32 percent) would value a primary

firm and advisor who can provide them with more tools to make informed investment decisions. The younger Futurewealthy (under 40) are also looking for more direction when investing, with 54 percent feeling they do not have the guidance they need to make informed investment decisions.

Moreover, the under-40 high-net-worth investors feel it is nearly as important for their primary wealth manager to educate them on their investments (39 percent) as it is to improve their financial situation (47 percent). By contrast, 78 percent of Futurewealthy who are 60-years-old or older feel improving their financial situation is the main responsibility of their wealth manager.

The Futurewealthy are loyal to their wealth management firms, having worked with their primary firm for an average of 13.6 years. Those who rated their primary wealth management firm as "very good" have been with their current relationship manager for the vast majority of their engagement with the firm. Though 56 percent of those who rated their relationship manager as "very good" said they would remain with their current firm if their relationship manager left, this doesn't mean firms can afford to get complacent about losing front line staff. Among those who rated their wealth manager as "very good," over a quarter said they would leave their firm immediately and 16 percent would look to transition accounts in the event of their wealth manager moving.

"We've examined what up-and-coming high-net-worth clients say they need from a relationship with their wealth management firm and relationship manager and have found that, even in an age of instantaneous, financial information at their fingertips, many high-net-worth investors are looking for their wealth managers to provide them with understandable guidance and how it affects their lives," said [Kevin Crowe](#), Head of Solutions, [SEI Advisor Network](#). "This tells us that the client-advisor relationship is evolving from a 'tell me where to invest' to a 'let's decide how this information will affect my future goal attainment' approach. Investors want to understand and partake in the investment decision making process through smarter, more streamlined collaboration."

The report, which also examines what qualities high-net-worth investors value in their financial relationship managers, found that global Futurewealthy value hard skills, like professionalism and intelligence, more than soft skills such as empathy and sociability. Sixty-six percent of global high-net-worth investors view professionalism and integrity as the crucial wealth manager attributes. In the U.S., 63 percent of Futurewealthy value integrity in their wealth managers the most, followed by 58 percent who value intelligence.

This paper is the first in a four-part series delving into the findings of the The Futurewealth Report 2015, which maps the journey of the world's up-and-coming wealthy with their wealth manager. The remaining three reports, which will focus on operating model, business standards, and the value of products and services, will seek to answer where the advisor delivers value and where processes or structures can be automated or streamlined to maintain and improve client experience. For more information, please visit www.seic.com/RelationshipManagement.

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 117 stock exchanges in 49 countries and 34 currencies, through the use of straight-through processing and a single operating infrastructure environment. For more information, visit: seic.com/wealthplatform.

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 December 31, 2014, through its subsidiaries and partnerships in which the company has a significant interest, SEI manages or administers \$625 billion in mutual fund and pooled or separately managed assets, including \$253 billion in assets under management and \$372 billion in client assets under administration. For more information, visit seic.com.

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